

TITLE 6. ECONOMIC SECURITY

CHAPTER 14. DEPARTMENT OF ECONOMIC SECURITY

~~FOOD STAMPS~~ NUTRITION ASSISTANCE PROGRAM

ARTICLE 1. ~~FOOD STAMPS~~ GENERAL INFORMATION AND PROVISIONS

Section

~~R6-14-101.~~ ~~Expired~~

~~R6-14-111.~~ ~~R6-14-101.~~ Definitions and Location of Definitions

R6-14-102. ~~Expired~~ Authority for Benefits and Applicable Rules

R6-14-103. ~~Expired~~ Options and Waivers

R6-14-104. ~~Expired~~ Confidentiality

R6-14-105. ~~Expired~~ Case Record

R6-14-106. ~~Expired~~ FAA Manual

ARTICLE 2 ~~EXPIRED~~ APPLICATION PROCESS AND PROCEDURES

Section

R6-14-201. ~~Expired~~ Definitions and Location of Definitions

R6-14-202. ~~Expired~~ Application

R6-14-203. ~~Expired~~ Authorized Representative

R6-14-204. ~~Expired~~ Composition of the Household

R6-14-205. ~~Expired~~ Household Cooperation

R6-14-206. ~~Expired~~ Initial Eligibility Interview

R6-14-207. ~~Expired~~ Verification of Eligibility Information

R6-14-208. ~~Expired~~ Home Visits

- R6-14-209. ~~Expired~~ Withdrawal of Benefits Application
- R6-14-210. ~~Expired~~ Processing the Benefits Application: Approval; Denials
- R6-14-211. ~~Expired~~ Expedited Service
- R6-14-212. ~~Expired~~ Reinstatement of Benefits

ARTICLE 3. NON-FINANCIAL ELIGIBILITY CRITERIA

Section

- R6-14-301. Definitions and Location of Definitions
- R6-14-302. Non-Financial Eligibility Criteria and Applicant Responsibility
- R6-14-303. Residency
- R6-14-304. Citizenship and Legal Immigration Status
- R6-14-305. Social Security Number
- R6-14-306. Students
- R6-14-307. Verification of Disability
- R6-14-308. Time Limit for ABAWDs
- R6-14-309. Voluntary Quit and Reduction of Work Effort
- R6-14-310. Felony Drug Conviction; Reinstatement of Eligibility

ARTICLE 4. FINANCIAL ELIGIBILITY: RESOURCES

Section

- R6-14-401. Resources; Limitations
- R6-14-402. Types of Resources; Ownership and Availability
- R6-14-403. Excluded Resources
- R6-14-404. Transfer of Resources

ARTICLE 5. FINANCIAL ELIGIBILITY: INCOME

Section

- R6-14-501. Definitions and Location of Definitions
- R6-14-502. Treatment of Income; In General
- R6-14-503. Income Exclusions
- R6-14-504. Special Income Provisions: Sponsored Noncitizens
- R6-14-505. Determining Monthly Income
- R6-14-506. Methods to Determine Projected Monthly Income
- R6-14-507. Income Verification

ARTICLE 6. ~~EXPIRED~~ DEDUCTIONS AND EXPENSES

Section

- R6-14-601. ~~Expired~~ Definitions and Location of Definitions
- R6-14-602. ~~Expired~~ Treatment of Deductions and Expenses; In General
- R6-14-603. ~~Expired~~ Deductions from Monthly Income
- R6-14-604. ~~Expired~~ Allowable Shelter and Utility Expense Deduction
- R6-14-605. ~~Expired~~ Dependent Care and Child Support Expense
- R6-14-606. ~~Expired~~ Excess Medical Expense
- R6-14-607. ~~Expired~~ Expenses Exceed Household Income

ARTICLE 7. ELIGIBILITY DETERMINATION

Section

- R6-14-701. Eligibility for a Household
- R6-14-702. Income Eligibility Standards

- R6-14-703. Household Eligibility
- R6-14-704. Households with Ineligible Household Members
- R6-14-705. Certification Period
- R6-14-706. Notice of Eligibility

ARTICLE 8. WORK REQUIREMENTS

Section

- R6-14-801. Work Requirements
- R6-14-802. Noncompliance with Work Requirement and Good Cause
- R6-14-803. SNAP Employment & Training Work Program

ARTICLE 9. CHANGES

Section

- R6-14-901. Definitions and Location of Definitions
- R6-14-902. Change Reporting Requirements
- R6-14-903. Change Reporting Timeframes
- R6-14-904. Changes That are Required to be Reported
- R6-14-905. Change Reporting Methods
- R6-14-906. Other Sources of Reported Changes
- R6-14-907. Mid-Approval Contact
- R6-14-908. FAA Action on Reported Changes
- R6-14-909. Effecting Changes
- R6-14-910. Notice of Adverse Action

ARTICLE 10. TRANSITIONAL BENEFIT ASSISTANCE

Section

R6-14-1001. Definitions and Location of Definitions

R6-14-1002. General Eligibility Requirements

R6-14-1003. Benefit Amount

R6-14-1004. Changes During TBA Period

ARTICLE 3 11. ~~CLAIM COMPROMISE~~ CLAIMS AGAINST HOUSEHOLDS

Section

~~R6-14-301~~R6-14-1101. ~~Purpose and~~ Definitions and Location of Definitions

~~R6-14-302~~R6-14-1102. Claim Calculation; Date of Discovery; Overpayment Period

~~R6-14-303~~R6-14-1103. Determining a Claim Amount

~~R6-14-304~~R6-14-1104. Pre-establishment Cost Effectiveness Determination

~~R6-14-305~~R6-14-1105 Notice of Claim

~~R6-14-306~~R6-14-1106. Acceptable Forms of Payment

~~R6-14-307~~R6-14-1107. Collection Methods

~~R6-14-308~~R6-14-1108. Claim Compromise

~~R6-14-309~~R6-14-1109. Reinstatement of a Compromised Claim

~~R6-14-310~~R6-14-1110. Terminating and Writing Off a Claim

~~R6-14-311~~R6-14-1111. Claims Established in Another State

ARTICLE 4 12. APPEALS AND FAIR HEARINGS

Section

R6-14-1201. Definitions and Location of Definitions

~~R6-14-401~~R6-14-12-1202. Entitlement to a Fair Hearing; Appealable Action

R6-14-402 <u>R6-14-1203.</u>	Computation of Time
R6-14-403 <u>R6-14-1204.</u>	Request for Hearing: Form; Time Limits; Presumptions
R6-14-404 <u>R6-14-1205.</u>	Stay of Action Pending Appeal
R6-14-405 <u>R6-14-1206.</u>	Hearings: Location; Notice; Time
R6-14-406 <u>R6-14-1207.</u>	Postponing the Hearing
R6-14-407 <u>R6-14-1208.</u>	Hearing Officer <u>Official</u> : Duties and Qualifications
R6-14-408 <u>R6-14-1209.</u>	Change of Hearing Officer <u>Official</u> ; Challenges for Cause
R6-14-409 <u>R6-14-1210.</u>	Subpoenas
R6-14-410 <u>R6-14-1211.</u>	Parties' Rights <u>Household's Rights During Hearing</u>
R6-14-411 <u>R6-14-1212.</u>	Withdrawal of an Appeal
R6-14-412 <u>R6-14-1213.</u>	Failure to Appear; Default; Reopening
R6-14-412 <u>R6-14-1213.</u>	Failure to Appear; Default; Reopening
R6-14-413 <u>R6-14-1214.</u>	Hearing Proceedings
R6-14-414 <u>R6-14-1215.</u>	Hearing Decision
R6-14-415 <u>R6-14-1216.</u>	Effect of the Decision
R6-14-416 <u>R6-14-1217.</u>	Further Administrative Appeal
R6-14-417 <u>R6-14-1218.</u>	Appeals Board

ARTICLE 5 13. INTENTIONAL PROGRAM VIOLATION

Section

R6-14-501 <u>R6-14-1301.</u>	Intentional Program Violations (IPV); Defined
R6-14-502 <u>R6-14-1302.</u>	IPV Administrative Disqualification Hearings; Hearing Waiver

- ~~R6-14-503~~R6-14-1303. Administrative Disqualification Hearings
- ~~R6-14-504~~R6-14-1304. Failure to Appear; Default; Reopening
- ~~R6-14-505~~R6-14-1305. Disqualification Sanctions; Notice
- ~~R6-14-506~~R6-14-1306. Administrative Disqualification Hearings or Waiver of the
Right to a Hearing; Appeal
- ~~R6-14-507~~R6-14-1307. Honoring Out-of-State IPV Determinations and Sanctions

ARTICLE 14. BENEFIT PAYMENTS

Section

- R6-14-1401. Benefit Payments
- R6-14-1402. Inactive Accounts; Unused Benefits
- R6-14-1403. Supplemental Payments
- R6-14-1404. Restoration of Lost Benefits

ARTICLE 1. ~~FOOD STAMPS~~-GENERAL INFORMATION AND PROVISIONS

~~R6-14-101. Expired~~

~~R6-14-111. R6-14-101.~~ Definitions and Location of Definitions

~~For purposes of this Section, the following terms are defined as follows:~~

- ~~1. "Adjusted net income". Income remaining after all deductions from gross income.~~
- ~~2. "Adverse action". The reduction or termination of program benefits within the certification period. Any action or inaction by the Department which affects the participation of the household in the program, including action to terminate or reduce a benefit.~~

3. ~~“Alien lawfully admitted to the United States”. An alien legally admitted to the United States by the U.S. Immigration and Naturalization Service. An alien legally admitted to the United States may or may not be legally admitted for permanent residence or residing under color of law.~~
4. ~~“Alien lawfully admitted to the United States for permanent residence”. An alien permitted to reside continuously in the United States, as specified by appropriate documentation which the alien must have in the alien’s possession at all times.~~
5. ~~“Allotment”. The total value of coupons a household is authorized to receive during each month or any specified time period.~~
6. ~~“Annualization of income”. The division of yearly gross income by 12 to arrive at the monthly average.~~
7. ~~“Anticipated income”. Income which is not yet available to meet needs but which is expected to become available.~~
8. ~~“Appeal”. An individual’s written statement requesting a hearing to contest action to be taken or previously taken by the Department.~~
9. ~~“Applicant”. A person who applies for program benefits for the that person and/or others.~~
10. ~~“Assets”. All items owned by an individual which have a monetary value.~~
11. ~~“A.T.P.”. Authorization to Participate in the Food Stamp Program.~~
12. ~~“Authorized representative”. A person authorized by an individual to act in the individual’s behalf.~~
13. ~~“Basis of issuance or benefit level”. The amount of coupons for which the~~

- ~~household is eligible, based on household size and adjusted net income.~~
14. ~~“Boarding house”. A commercial enterprise which offers meals and lodging for compensation.~~
15. ~~“Certification”. Approval of the household’s application and determination of basis of issuance and period of eligibility.~~
16. ~~“Citizen”. An individual born or naturalized in the United States, which is defined, for program purposes, as the 50 states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and Swain’s Island.~~
17. ~~“Collateral contact”. An individual, agency, or organization contacted to confirm statements presented by the applicant and/or participant.~~
18. ~~“Color of Law”. A legal status which a lawfully admitted alien may claim if the alien can satisfactorily prove that the alien has continuously resided in the United States since June 30, 1948.~~
19. ~~“Coupon”. Any coupon, stamp, or certification provided pursuant to the Food Stamp Act of 1977 for the purchase of eligible food.~~
20. ~~“Denial”. The formal disapproval of an application for program benefits.~~
21. ~~“Department”. The Department of Economic Security.~~
22. ~~“Drug and/or alcoholic treatment and rehabilitation center”. A center providing treatment and rehabilitation programs by a private nonprofit organization.~~
23. ~~“Earned income”. Compensation received as wages, salaries, commissions, or profit, through employment or self-employment.~~
24. ~~“Eligible food”. Any food for human consumption; seeds and plants to grow~~

~~foods for the personal consumption of the eligible household; delivered meals and meals served at approved communal dining facilities and rehabilitation treatment centers.~~

~~25. “Eligibility worker”. Department employee responsible for the determination of eligibility of the applicant households.~~

~~26. “Equity value”. The fair market value less encumbrances.~~

~~27. “F.N.S.”. Food and Nutrition Service, a division of the United States Department of Agriculture.~~

~~28. “Fraud”. An action, punishable by law, in which a person has knowingly, willfully, and with deceitful intent obtained benefits for which the person was not eligible.~~

~~29. “Hearing”. The process of reviewing a client’s situation for the purpose of deciding whether or not action taken or intended action by the Department is correct.~~

~~30. “Home visit”. A visit by an Eligibility Worker to the client’s place of residence to verify eligibility factors for program benefits.~~

~~31. “Home and land contiguous thereto”. The residential real property owned by a client, both land improvements on which client is living, as well as any land immediately touching which is also owned by the client.~~

~~32. “Identification card”. A card which identifies the bearer as eligible to receive and use food coupons.~~

~~33. “In kind”. Any gain or benefit which is not in the form of money payable directly to the household, such as meals, clothing, public housing, produce from a garden, and vendor payments.~~

- ~~34. “Institution of higher education”. Any institution providing post-high-school education, including, but not limited to, colleges, universities, and vocational or technical schools at the post-high-school level.~~
- ~~35. “Liquid resources”. Financial instruments which can be converted to cash quickly (such as stocks, bonds, savings certificates, notes, sales contracts, etc.).~~
- ~~36. “Minor child”. A person under age 18 and under parental control.~~
- ~~37. “Non-eligible food”. Hot foods and hot food products prepared for immediate over-the-counter service, alcoholic beverages, tobacco, pet foods and supplies, soap, and paper products.~~
- ~~38. “Overissuance”. The amount of a coupon allotment received by a household which is in excess of what it was eligible to receive.~~
- ~~39. “Parental control”. A child under the age of 18 years and under the control of the parent or any adult other than natural parents (in loco parentis).~~
- ~~40. “Project area”. The county or geographic entity designated as the administrative unit for program operations.~~
- ~~41. “Recertification”. A re-evaluation of all eligibility factors.~~
- ~~42. “Restoration of lost benefits”. Issuance of coupons to an eligible household that did not receive benefits or the correct amount of benefits due to an error caused by the Department.~~
- ~~43. “Retroactive benefits”. An issuance of coupons to an eligible household who experienced a delay in the processing of the application.~~
- ~~44. “Roomer”. Individual to whom lodging is furnished for compensation.~~

- ~~45. “Spouse”. One of 2 individuals who are married to each other under applicable state law or who are living together and holding themselves out to the community as husband and wife.~~
- ~~46. “Student”. An individual 18 years of age or older and attending, at least half time, a post-high-school institution of higher education (as defined for program purposes).~~
- ~~47. “United States citizen”. A person who was born in the United States or naturalized in the United States and has maintained United States citizenship status.~~
- ~~48. “U.S.D.A.”. United States Department of Agriculture.~~
- ~~49. “Vendor payments”. Money payments made on behalf of the household to another — by a 3rd party.~~

A. Location of definitions. The following definitions applicable to Chapter 14 are found in the following Section or Citation:

<u>"Able Bodied Adult Without Dependents" or "ABAWD"</u>	<u>R6-14-101(B)</u>
<u>“Administrative Disqualification Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Adverse Action”</u>	<u>R6-14-101(B)</u>
<u>“Appeal”</u>	<u>R6-14-101(B)</u>
<u>“Applicant”</u>	<u>R6-14-101(B)</u>
<u>“Attorney-Client Privilege”</u>	<u>R6-14-101(B)</u>
<u>“Authorized Representative”</u>	<u>R6-14-101(B)</u>

<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Benefit Month”</u>	<u>R6-14-101(B)</u>
<u>“Bureau of Indian Affairs” or “BIA”</u>	<u>R6-14-101(B)</u>
<u>“Business Day”</u>	<u>R6-14-101(B)</u>
<u>"Calendar Day"</u>	<u>R6-14-101(B)</u>
<u>“Case Record”</u>	<u>R6-14-101(B)</u>
<u>“Cash Assistance” or “CA”</u>	<u>R6-14-101(B)</u>
<u>“Categorically Eligible”</u>	<u>R6-14-101(B)</u>
<u>“Certification”</u>	<u>R6-14-101(B)</u>
<u>"Citizen"</u>	<u>R6-14-101(B)</u>
<u>“Countable Income”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Dependent Child”</u>	<u>A.R.S. § 46-101(8)</u>
<u>“Disabled”</u>	<u>R6-14-101(B)</u>
<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Effective Date”</u>	<u>R6-14-101(B)</u>

<u>“Elderly”</u>	<u>R6-14-101(B)</u>
<u>“Electronic Benefit Transfer” or "EBT"</u>	<u>R6-14-101(B)</u>
<u>“Excusable Neglect”</u>	<u>R6-14-101(B)</u>
<u>“Expedited Service”</u>	<u>R6-14-101(B)</u>
<u>"FAA Manual"</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Federal Poverty Level” or “FPL”</u>	<u>R6-14-101(B)</u>
<u>“Fraud”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Gross Income”</u>	<u>R6-14-101(B)</u>
<u>“Hearing” or “Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Hearing Official”</u>	<u>R6-14-101(B)</u>
<u>“Homeless”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“In-kind Income”</u>	<u>R6-14-101(B)</u>
<u>“Institution of Higher Education”</u>	<u>R6-14-101(B)</u>

<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Lead Participant”</u>	<u>R6-14-101(B)</u>
<u>“Lump Sum Income”</u>	<u>R6-14-101(B)</u>
<u>“Minor”</u>	<u>R6-14-101(B)</u>
<u>“Net Income”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen Sponsor” or “Sponsor”</u>	<u>R6-14-101(B)</u>
<u>“Notice Date”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Official Purpose”</u>	<u>R6-14-101(B)</u>
<u>“Overpayment”</u>	<u>R6-14-101(B)</u>
<u>“Parental Control”</u>	<u>R6-14-101(B)</u>
<u>“Physical Or Mental Impairment”</u>	<u>R6-14-101(B)</u>
<u>“Projected Income”</u>	<u>R6-14-101(B)</u>
<u>“Qualified Health Professional”</u>	<u>R6-14-101(B)</u>
<u>“Quality Control Review”</u>	<u>7 CFR 271.2</u>

<u>“Questionable Information”</u>	<u>R6-14-101(B)</u>
<u>“Recertification”</u>	<u>R6-14-101(B)</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Resources”</u>	<u>R6-14-101(B)</u>
<u>“Self-Employment Income”</u>	<u>R6-14-101(B)</u>
<u>“Service Animal”</u>	<u>R6-14-101(B)</u>
<u>“Simplified Change Reporting”</u>	<u>R6-14-101(B)</u>
<u>“SNAP”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Act”</u>	<u>42 U.S.C. 7</u>
<u>“Social Security Administration” or “SSA”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Number” or “SSN”</u>	<u>R6-14-101(B)</u>
<u>“Standard Change Reporting”</u>	<u>R6-14-101(B)</u>
<u>"Student"</u>	<u>R6-14-101(B)</u>
<u>“Supplemental Security Income” or “SSI”</u>	<u>R6-14-101(B)</u>
<u>“Temporary Assistance for Needy Families” or “TANF”</u>	<u>R6-14-101(B)</u>
<u>“Trafficking”</u>	<u>7 CFR 271.2</u>

<u>“Unearned Income”</u>	<u>R6-14-101(B)</u>
<u>“USDA FSN”</u>	<u>R6-14-101(B)</u>
<u>“Vendor Payment”</u>	<u>R6-14-101(B)</u>
<u>“WIOA”</u>	<u>R6-14-101(B)</u>

B. The following definitions apply to Chapter 14.

1. “Able Bodied Adult Without Dependents” or “ABAWD” means an individual between the ages of 18 and 49 who has the capacity to work and does not reside with a household member under the age of 18.
2. “Administrative Disqualification Hearing” means a proceeding to determine whether an individual receiving Benefits has intentionally misrepresented the individual's situation or has given false information to obtain Benefits, or to obtain more Benefits than the individual was entitled to receive.
3. “Adverse Action” means an action or inaction taken by the Department to limit or disqualify an individual from participation in the program or receiving services or Benefits.
4. “Appeal” means a request for formal review and resolution of an appealable Adverse Action.
5. “Applicant” means a person who has directly, or through an Authorized Representative or responsible person, filed an application for Benefits with the FAA.

6. “Attorney-Client Privilege” means an individual’s right to refuse to disclose, and to prevent any other person from disclosing, confidential communications between the individual and individual’s attorney.
7. "Authorized Representative" means an adult non-Household member authorized by the Household to act on the Household’s behalf as specified in R6-14-203.
8. "Benefit" or “Benefit Allotment” means the total amount of assistance a Household is authorized to receive for a particular Benefit Month.
9. "Benefit Month" means the calendar month for which Benefits are paid.
10. “Bureau of Indian Affairs” or “BIA” means the federal agency within the United States Department of the Interior that assists American Indian tribes.
11. “Business Day” means Monday through Friday, excluding holidays listed in A.R.S. § 1-301.
12. “Calendar Day” means the day as it falls sequentially on the calendar and includes Saturday, Sunday, and holidays listed in A.R.S. § 1-301.
13. "Case Record" means all documentation collected or prepared by the FAA in evaluating and determining eligibility and a Benefit amount and in performing all case maintenance functions, in both paper and electronic formats.
14. “Cash Assistance” or “CA” means a component of the TANF program administered in accordance with 6 A.A.C. 12 that provides financial assistance and supportive services to eligible needy families with dependent children and to child only cases.
15. "Categorically Eligible" means a Household has specific eligibility factors waived and does not exceed 185% of the FPL.

16. "Certification" means approval of the Household's application and determination of basis of issuance and period of eligibility.
17. "Citizen" means an individual born or naturalized in the United States, which is defined for program purposes, as the 50 states, the District of Columbia, Puerto Rico, Guam, Virgin Islands, American Samoa, and Swain's Island.
18. "Countable Income" means income from every source minus income excluded under R6-14-503.
19. "Disabled" means a person who meets one or more of the disability criteria in the definition of Elderly or Disabled member in 7 CFR 271.2.
20. "Earned Income" means wages or salaries of an employed Household member, money derived from self-employment, or the value of work performed in exchange for room, board or other needs.
21. "Effective Date" means the date the Department's action becomes operative.
22. "Elderly" means a person who is 60 years of age or older.
23. "Electronic Benefit Transfer" or "EBT" means the electronic transfer of government Benefit funds to individuals through the use of automated card technology. EBT transactions may be completed at automated teller machines (ATM) and point of sale (POS) terminals.
24. "Excusable Neglect" means an action involving an error such as might be made by a reasonably prudent person who attempts to handle a matter in a prompt and diligent fashion, as used in the Arizona Rules of Civil Procedure, Rule 60(b)(1).
25. "Expedited Service" means providing an eligibility determination and a

Benefit Allotment no later than the seventh Calendar Day after the date an application is received, to eligible Households in immediate need under 7 CFR 273.2.

- 26. "FAA Manual" means the online publication containing the policies and procedures used by the FAA to determine a Household's NA Benefits eligibility.
- 27. "Family Assistance Administration" or "FAA" means the administration within the Department's Division of Benefits and Medical Eligibility responsible for providing financial and nutrition assistance to eligible persons and determining medical eligibility.
- 28. "Federal Poverty Level" or "FPL" means the federal Department of Health and Human Services poverty guidelines published annually in the Federal Register.
- 29. "Fraud" means an action or an attempt of action in which a person knowingly, willingly, and with deceitful intent, obtained Benefits for which the person was not eligible.
- 30. "Good Cause" means that a Party has adequate grounds or reason to take an action or fail to take an action.
- 31. "Gross Income" means the amount of income prior to deductions used to determine eligibility.
- 32. "Hearing" means a formal administrative proceeding conducted by an impartial Hearing Official, referred to in some Department programs as a "fair hearing."
- 33. "Hearing Official" means a hearing officer or other designee of the Director, who conducts an administrative Hearing.
- 34. "Homeless" means a Household that lacks a fixed and regular nighttime residence or in which the Household's primary nighttime residence is:

- a. A supervised shelter designed to provide temporary accommodations ;
 - b. A halfway house or similar institution that provides temporary residence;
 - c. A temporary accommodation for not more than 90 days in the residence of another individual; or
 - d. A place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings (a park, a sidewalk, a hallway, a bus station, a lobby or similar places).
35. "Household" means those individuals, under 7 CFR 273.1, who are living together and who are either required to be included in an Applicant's request for Benefits, or when not required, those who the Applicant elects to include in the request for Benefits.
36. "In-Kind Income " means the value of work performed in exchange for room, board, or other needs and for which no monetary payment is made to the person performing the work.
37. "Institution of Higher Education" means:
- a. A business, technical, trade or vocational school that requires a high school diploma or equivalency certificate for enrollment; and
 - b. A college or university that offers degree programs regardless of whether a high school diploma is required.
38. "Intentional Program Violation" or "IPV" means deliberately making false or misleading statements, misrepresenting, concealing or withholding facts, or committing any act that constitutes a violation of the Food and Nutrition Act, the NA regulations, or state statute

for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking of Benefits or EBT cards.

- 39. “Lead Participant” means head of Household for work requirements under 7 CFR 273.1(d)(2).
- 40. “Lump Sum Income” means a single payment of Earned or Unearned Income, such as retroactive monthly Benefits, non-recurring pay adjustments or bonuses, inheritances, lottery winnings, or personal injury and workers’ compensation awards.
- 41. "Minor" means a person under the age of 18 who is not legally emancipated.
- 42. "Net Income" means Gross Income, minus allowable deductions.
- 43. "Noncitizen" means a person who is not a United States Citizen.
- 44. "Noncitizen Sponsor" or “Sponsor” means a person who has executed an affidavit of support on behalf of a Noncitizen as a condition of the Noncitizen's entry into the United States under 8 U.S.C. 1183(a).
- 45. "Notice Date" means the date which appears as the official date of issuance on a document or official written notice the Department sends or gives to an Applicant or Recipient.
- 46. “Nutrition Assistance” or "NA" means the federal Supplemental Nutrition Assistance Program or SNAP as administered in Arizona.
- 47. “Official Purpose” means one directly related to the administration of a public assistance program.
- 48. “Overpayment” means a Benefit Allotment received by or for a Household for a

Benefit Month and that exceeds the amount to which the Household was lawfully entitled.

- 49. "Parental Control" means the care, supervision, and financial support given to a minor by an adult with whom the minor resides, other than the minor's parent.
- 50. "Physical or Mental Impairment" means a physical or mental condition that substantially limits or prevents an individual from completing activities of daily living without assistance, as verified by a Qualified Health Professional.
- 51. "Projected Income" means an estimate of income that a Household is reasonably certain to receive in a specific month, the actual amount of which is unknown but is estimated from available and reliable information.
- 52. "Qualified Health Professional" means a registered nurse practitioner or a licensed physician, doctor of naturopathic medicine, chiropractor, psychiatrist, board certified psychologist, or physician's assistant who has a dependent relationship with a licensed physician, nurse, or social worker, as applicable for a particular medical impairment.
- 53. "Questionable Information" means that information provided by the Household is inconsistent with other information that is provided, information provided on previous applications, documentation already contained in the Case Record, or information received by the FAA from a third-party.
- 54. "Recertification" means a re-evaluation of all eligibility factors.
- 55. "Recipient" means an individual receiving Benefits.
- 56. "Resources" means real and personal property available to a Household.

57. "Self-Employment Income" means income received when self-employed rather than working for an employer.
58. "Service Animal" means a specially trained animal that works, provides assistance, or performs tasks for the benefit of an Elderly or Disabled Member .
59. "Simplified Change Reporting" means one of the two change reporting requirements that the FAA assigns to an eligible Household under R6-14-902.
60. "SNAP" means the federal Supplemental Nutrition Assistance Program that provides benefits to supplement the food budget of families in need to purchase healthy foods and move towards self-sufficiency, authorized at 7 U.S.C. 51.
61. "Social Security Administration" or "SSA" or means the federal agency that assigns SSNs, administers the Social Security retirement, survivors, and disability insurance programs and the SSI program for the aged, blind, and disabled.
62. "Social Security Number" or "SSN" or means a nine-digit number issued by the SSA to a Citizen, permanent resident, and temporary resident under 42 U.S.C. 405.
63. "Standard Change Reporting" means one of the two change reporting requirements that the FAA assigns to an eligible Household under R6-14-902.
64. "Student" means an individual 18 years of age or older and attending, at least half time, a post-high-school institution of Higher Education.
65. "Supplemental Security Income" or "SSI" means a federal income supplement program provided to aged, blind, and disabled people under Title XVI of the Social Security Act and administered by the SSA to help meet basic needs for food, clothing, and shelter.

66. “Temporary Assistance for Needy Families” or “TANF” means the federal program under 42 U.S.C. 601 et seq. administered by the Department.
67. “Unearned Income” means income a Household member receives without being required to perform any labor or service as a condition of receiving the income such as annuities, pensions, retirement, child support or alimony, disability, or unemployment insurance benefits.
68. "USDA FNS" means United States Department of Agriculture.
69. "Vendor Payment" means a payment that a person or organization that is not a member of the Household makes to a third-party vendor to cover a Household expense.
70. "WIOA" means the Workforce Innovation and Opportunity Act of 2014, established in Public Law 113-128 and 29 U.S.C. 3101-3361.

R6-14-102. ~~Expired~~ Administration

- A.** The Nutrition Assistance (NA) Program provides assistance to eligible individuals in accordance with the Food Stamp Act of 1977, as amended (7 U.S.C. 2011 et seq.); 7 CFR 271 through 7 CFR 283; and the Personal Responsibility and Work Reconciliation Act (PRWORA) of 1996 and amendments.
- B.** The Department administers Benefits in compliance with federal law with exceptions, clarifications, or waivers approved by the USDA Food and Nutrition Service (FNS).

R6-14-103. ~~Expired~~ Confidentiality

- A.** Personally identifiable information.
1. All personally identifiable information concerning an Applicant, Recipient, or

a member of a Household in the possession of the Department is confidential and not subject to public inspection, except as permitted by A.R.S. § 41-1959 or R 7 CFR 272.1 and this Section.

2. An Applicant's, Recipient's, or Household member's personally identifiable information includes:

- a. Name, address, and telephone number;
- b. SSN and date of birth;
- c. Unique identifying numbers such as a driver's license number;
- d. Photographs;
- e. Information related to social and economic conditions or circumstances;
- f. Medical data, including diagnosis and past history of disease or disability;
- and
- g. Any other information that is reasonably likely to permit another person to readily identify the subject of the information.

B. Release of information to Applicants and Recipients.

- 1. An Applicant or Recipient may review the contents of the Applicant's or Recipients' Case Record any time during the FAA's regular operating hours, provided that a Department employee is present during the review. The Department may withhold Attorney-Client Privileged documents or other confidential information, such as the names of individuals who have disclosed information about the Household without the Household's knowledge, or the nature or status of pending criminal prosecutions.
- 2. A Dependent Child may review a Case Record in which the child is included as a

Recipient, only with the written permission of the child's parent or legal guardian or custodian.

3. The Department may withhold medical information that may cause physical or mental harm to the person requesting the information if released until the Department contacts the person's physician and obtains an opinion that the Department can safely release the information.

C. Release of information to authorized persons and representatives. An Applicant or Recipient may permit the release of information from the Applicant or Recipient's Case Record to another person or representative by executing a release form containing:

1. The specific information the Department is authorized to release;
2. The name of the person to whom the Department may release information;
3. The duration of the release, if limited; and
4. Signature and date.

D. Release to persons and agencies for Official Purposes.

1. An Official Purpose includes:
 - a. Establishing eligibility;
 - b. Determining the amount of a Benefit Allotment;
 - c. Providing services to Applicants and Recipients, including assistance with living expenses;
 - d. Investigating or prosecuting civil or criminal proceedings related to an assistance program; or
 - e. Evaluating, analyzing, overseeing, and auditing program operations.

2. The Department may release confidential information to the following persons and agencies to the extent required for Official Purposes:
- a. Department employees;
 - b. Employees of the SSA;
 - c. Public assistance agencies of any other state;
 - d. Arizona Attorney General's Office;
 - e. Persons connected with the administration of federal or federally assisted programs that provide assistance in food, cash, or services directly to individuals on the basis of need;
 - f. Government auditors when the audits are conducted in connection with the administration of any assistance program by a governmental entity which is authorized by law to conduct such audits;
 - g. Law enforcement officials for an investigation, prosecution, or civil or criminal proceedings conducted by or on behalf of the Department or a federal public assistance agency in connection with the administration of a public assistance program; and
 - h. The Internal Revenue Service for the purpose of identifying unclaimed income sources or tax exemptions.

R6-14-104. Expired Case Record

- A.** The FAA shall maintain a Case Record for every NA Applicant or Recipient Household.
- B.** The Case Record shall contain all data collected or used by the FAA in evaluating

and determining eligibility and Benefit amount and all documents maintained or stored in any format.

C. Except as otherwise provided in subsection (D) and (E), the FAA shall retain the Case Record for a period of at least three years after the last date on which the Household was determined ineligible or received a Benefit payment and in accordance with Department retention rules.

D. The Department shall retain a Case Record that contains an unpaid Overpayment until:

1. The Overpayment is paid in full, or
2. The Household is no longer obligated to repay the Overpayment.

E. The Department shall retain a Case Record that includes a person determined to have committed an IPV pursuant to Article 13 of this Chapter until:

1. The Overpayment is paid in full, and
2. The disqualification sanction is satisfied.

R6-14-105. ~~Expired~~ FAA Manual

The Department shall maintain an online FAA Manual and shall post a link to the FAA Manual on the Department's website for access by the public.

ARTICLE 2. ~~EXPIRED~~ APPLICATION PROCESS AND PROCEDURES

R6-14-201. ~~Expired~~ Definitions and Location of Definitions

A. Location of definitions. The following definitions applicable to Article 2 are found in the following Section or Citation:

"Able Bodied Adult Without Dependents" or "ABAWD"

R6-14-101(B)

<u>“Applicant”</u>	<u>R6-14-101(B)</u>
<u>“Appeal”</u>	<u>R6-14-101(B)</u>
<u>“Authorized Representative”</u>	<u>R6-14-101(B)</u>
<u>“Benefit” or “Benefit Allotment</u>	<u>R6-14-101(B)</u>
<u>“Business Day”</u>	<u>R6-14-101(B)</u>
<u>“Calendar Day”</u>	<u>R6-14-101(B)</u>
<u>“Certification”</u>	<u>R6-14-101(B)</u>
<u>"Collateral Contact"</u>	<u>R6-14-201(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Effective Date”</u>	<u>R6-14-101(B)</u>
<u>“Elderly or Disabled Member”</u>	<u>7 CFR 271.2</u>
<u>“Electronic Benefit Transfer” or “EBT”</u>	<u>R6-14-101(B)</u>
<u>“Expedited Service”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Foster Child”</u>	<u>R6-14-201(B)</u>

<u>“Fraud”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Gross Income”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Identifiable Application”</u>	<u>R6-14-201(B)</u>
<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Minor”</u>	<u>R6-14-101(B)</u>
<u>“Notice Date”</u>	<u>7 CFR 271.2</u>
<u>“Quality Control Review”</u>	<u>7 CFR 271.2</u>
<u>“Questionable Information”</u>	<u>R6-14-101(B)</u>
<u>“Recertification”</u>	<u>R6-14-101(B)</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Resources”</u>	<u>R6-14-101(B)</u>
<u>“Roomer”</u>	<u>R6-14-201(B)</u>
<u>“Self-Employment Income”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Administration” or “SSA”</u>	<u>R6-14-101(B)</u>

“Student”

R6-14-101(B)

“Supplemental Security Income” or “SSI”

R6-14-101(B)

B. The following definitions apply to this Article.

1. "Collateral Contact" means an individual, agency, or organization the Department communicates with to confirm information provided by the Applicant, Recipient, or Household member.
2. “Foster Child” means a child placed in a foster home by a child welfare agency.
3. “Identifiable Application” means a Department-approved application that contains, at a minimum:
 - a. The legible name and address of the Applicant; and
 - b. The signature, which may be an electronic signature or recorded telephonic signature, under penalty of perjury, of the Applicant, another adult Household member, or the Applicant’s Authorized Representative.
4. "Roomer" means an individual to which a Household furnishes lodging for compensation in an arrangement that does not include meals under 7 CFR 273.1.

R6-14-202. ~~Expired~~ Application

- A. A person shall apply for Benefits by submitting a Department-approved application to any FAA office in person, by mail or fax, by telephone, or electronic transmittal of an online application.
- B. A Household in which all members are Applicants for or Recipients of SSI may apply at

the SSA office.

- C.** The application file date is the date an FAA office receives an Identifiable Application during operating hours. If the application is received outside operating hours, the application file date is:
1. The next Business Day; or
 2. The same Calendar Day when the FAA conducts an eligibility interview after operating hours.
- D.** The file date of an application submitted for a resident of a public institution under prior to the resident's release from the institution shall be the day of the resident's release.
- E.** A completed application shall contain:
1. A request to receive Benefits;
 2. The names of all persons living in the Applicant's home and the relationship of each person to the Applicant, and the SSN and legal immigration status of all persons for whom Benefits have been requested; and
 3. All other financial and non-financial eligibility information listed on the application form.

R6-14-203. ~~Expired~~ Authorized Representative

- A.** A Household may designate an Authorized Representative to act on behalf of the Household by completing the Authorized Representative section on the application or completing an Authorized Representative Request form.
- B.** An Authorized Representative shall be sufficiently aware of relevant Household circumstances and shall be authorized to act on behalf of the Household during the application process, during the eligibility interview and verification process, when reporting and verifying changes, and in using Benefits for the Household.

- C.** Household members shall be held liable for any overissuance that results from erroneous information given by the Authorized Representative.
- D.** Designation of the Authorized Representative remains in effect until the Applicant revokes the authorization, the application is withdrawn or denied, or the Benefits eligibility is terminated.
- E.** A Household that resides in an eligible drug or alcohol treatment center, is required to designate an employee of the center as an Authorized Representative in accordance with 7 CFR 273.11(e).
- F.** An Authorized Representative shall not be:
1. A retailer involved in the acceptance of Benefits;
 2. A provider of prepared meals for the homeless when the provider is representing a homeless Household;
 3. A Department employee involved in the issuance of Benefits unless authorized in writing by the Department management; or
 4. An individual currently disqualified for an IPV unless no one else is available and the individual has been approved by the Department;
- G.** The FAA shall allow a person to be designated as an Authorized Representative for no more than three Households at one time unless the person is an employee of a drug and alcohol treatment center and is designated as the Authorized Representative for Households residing in the center.
- H.** The FAA shall disqualify an Authorized Representative from representing a Household, for up to one year, when the FAA determines that the Authorized Representative has knowingly provided false information about Household circumstances or has made improper use of Benefits.

R6-14-204. ~~Expired~~ Composition of the Household

- A.** The following persons living with an Applicant shall be included in the Applicant's Household:

1. The Applicant's spouse;
2. The Applicant's natural, adoptive, or stepchildren under the age of 22 years old through the month of the child's 22nd birthday;
3. A Minor, other than a Foster Child; and
4. All other individuals who customarily purchase and prepare meals with the Applicant.

B. The following persons may apply for Benefits as a separate Household, even when living with others:

1. A person who is 60 years old or older and is unable to purchase and prepare the person's own meals due to a permanent disability under the Social Security Act or a non-disease-related, severe, permanent disability, together with the person's spouse if living together. The separate Household status is given to the person who is Elderly and Disabled and the person's spouse only when the income of the others with whom the person and the person's spouse live, excluding the income of the person who is Elderly and Disabled and the person's spouse, does not exceed 165% of the FPL;
2. Roomers. Persons described in R6-14-204(A)(1) through (3) shall not be considered Roomers.
3. Live-in attendants. Persons described in R6-14-204(A)(1) through (3) shall not be considered live-in attendants.

C. The following persons are not eligible to participate in the NA program as separate Households or as a member of any Household:

1. Individuals who do not meet the citizenship or legal immigration status requirements under R6-14-304;

2. Students who do not meet Student eligibility under R6-14-306;
3. Individuals who do not comply with work requirements under Article 8;
4. Individuals who do not meet the SSN enumeration requirements under R6-14-305;
5. Individuals found to have committed an IPV under Article 13;
6. Residents of a public institution, as specified in 7 CFR 273.1(b)(7)(vi);
7. Individuals who are ineligible under 7 CFR 273.11(m) because of a drug-related felony conviction and do not meet the requirements stated in R6-14-310;
8. Individuals who are fleeing to avoid prosecution or custody for a felony, or an attempt to commit a felony, or who are violating a condition of probation or parole who are ineligible under 7 CFR 273.11(n);
9. Persons ineligible under 7 CFR 273.24, the time limit for ABAWD;
10. Individuals convicted after February 8, 2014 of any of the following, and not in compliance with the terms of the sentence and ineligible under 7 CFR 273.11(s):
 - a. Aggravated sexual abuse;
 - b. Murder;
 - c. A Federal or State offense involving sexual assault, domestic violence, dating violence, or stalking as described at Section 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 136); or
 - d. An offense under State law determined by the Attorney General to be equal to an offense described in this section.
11. Boarders who are residents of a commercial boarding house, regardless of the number of residents.

12. Households that include a member on strike who would not have been eligible for Benefits prior to the day of the strike and who is:
- a. Involved in a strike or other planned stoppage of work by employees;
 - b. Involved in a planned slowdown or planned interruption of operations by employees;
 - c. Suspended from employment, but that would be allowed to work when not striking;
 - d. On strike, and was exempt from work registration on the day before the strike, only because the Household member was currently employed; or
 - e. Participating in a strike or is a member of the striking union, even when the Household member did not vote to strike.

R6-14-205. ~~Expired~~ Household Cooperation

- A.** To determine eligibility, as required by 7 CFR 273.2, the Applicant or Authorized Representative shall:
- 1. Complete and sign an application;
 - 2. Complete an interview;
 - 3. Provide verification of all mandatory eligibility factors; and
 - 4. Cooperate in a Quality Control Review. The Household will be determined ineligible when the Household refuses to cooperate in any review of Household eligibility as part of a Quality Control Review.

R6-14-206. ~~Expired~~ Initial Eligibility Interview

A. Upon receipt of an Identifiable Application, for both initial and Recertification applications, the FAA shall register the application and:

1. Complete an interview with the Applicant, another adult Household member, or the Authorized Representative on the same day; or
2. When the interview is not completed on the application file date the FAA shall provide written notification to the Applicant that the Applicant shall contact the FAA to complete an interview by telephone, provide a timeframe during which the telephone interview shall be conducted, and provide clear instructions for completing the interview, including the calendar date by when the interview shall be completed.
3. The FAA shall allow an in-person interview at any FAA office for all Applicants who request an in-person interview. An Applicant may request an in-person interview by contacting the FAA by telephone or in-person at any FAA office. The Applicant shall complete an in-person interview at any FAA office within the same timeframe that is required for the telephone interview.
4. The FAA shall allow an in-person interview at an Applicant's home when requested by the Applicant and at least one of the following circumstances applies:
 - a. The Applicant has a disability and homebound;
 - b. The Applicant is unable to attend an in-person interview at an FAA office due to the lack of affordable public or private transportation; or
 - c. The Applicant has Good Cause for not being able to appear for an office interview.

5. The FAA shall deny the application when the Applicant fails to timely complete an interview.

B. During the interview, a FAA representative shall:

1. Assist the Applicant in completing the application if needed;
2. Discuss how needs are met for the Applicant and the other Household members;
3. Provide the Applicant with written information explaining:
 - a. The terms, conditions, and obligations of the Benefits program, including the requirement that the Applicant obtain and provide the SSN to the FAA for each person for which Benefits is requested;
 - b. Any additional verification information as prescribed in R6-14-207 that the Applicant shall provide for the FAA to conclude the eligibility determination;
 - c. The Department's practice of obtaining eligibility and income information through the State Verification and Exchange System (SVES);
 - d. The coverage and scope of the Benefits program and related services which may be available to the Applicant;
 - e. The Applicant's rights, including the right to Appeal any Adverse Action;
 - f. The requirement to report changes as specified in either the Simplified Change Reporting process or the Standard Change Reporting process that is assigned to the Household; and
 - g. Any additional written information as required by USDA FNS, or the State of Arizona.
4. Review the penalties for perjury and Fraud, as printed on the application;

5. Explain to the Applicant:

- a. The member is considered the head of the Household;
- b. The member is required to be included in the Household for the purpose of determining eligibility; and
- c. Which Household member's income and Resources are considered available to the Household.

6. Review any verification information already provided.

- C. The FAA shall provide the Household with written notification when an interview has not been completed by the calendar date indicated in the written notification previously sent to the Household. The Household is responsible to contact the FAA to complete the interview prior to the end of the 30-day application period.
- D. The FAA shall deny the application when the Applicant fails to complete an interview within the 30-day application period.

R6-14-207. Expired Verification of Eligibility Information

- A. The FAA shall verify the identity as stated in 7 CFR 273.2(f)(1)(vii) of the Applicant at each interview. When documents are not available, Collateral Contact verification may be obtained.
- B. The FAA shall obtain independent verification or corroboration of information provided by the Household when required by law, or when necessary to determine eligibility or Benefit level.
- C. The FAA shall verify or corroborate information by any reasonable means including:

1. Conducting a computer data match through SVES;
2. Contacting third parties such as employers;
3. Asking the Applicant to provide written documentation, such as billing statements or pay stubs; and
4. Making home visits as provided in R6-14-208.

D. The Household has the primary responsibility for providing all required verification. The FAA shall assist a Household that has difficulty in obtaining the verification and requests help.

E. Mandatory verification shall be received prior to Certification for:

1. Identity;
2. Arizona Residency;
3. SSN or receipt of an application for the SSN for each Household member for which Benefits is requested;
4. Questionable Information about Household composition;
5. U.S. Citizenship and immigration status for each Household member for which NA is requested;
6. Disability;
7. Student eligibility;
8. Gross Income that is not exempt according to 7 CFR 273.2(f)(1)(i);
9. Shelter and utility expenses if the Household wants expenses to be considered toward the Benefit Allotment;
10. Allowable medical expenses for Elderly or Disabled members;
11. Dependent care expenses;

12. Exemptions for ABAWD when subject to the time limit; and
 13. Questionable Information or discrepancies determined by the FAA that affects the eligibility and Benefit level for the Household.
- F.** An Applicant shall provide the FAA with all requested verification within 10 Calendar Days from the Notice Date of a written request for such information. When an Applicant does not timely comply with a request for information, the FAA shall deny the application if the verification that was not provided is for mandatory eligibility factors.
- G.** The application form shall contain a notice to advise the Applicant that the FAA may contact third parties for information. The Applicant's signature on an application is deemed consent to such contact.
- H.** At Recertification, the FAA shall request verification when any of the following occur:
1. Any Household member's source of income has changed;
 2. The amount of income has changed by more than \$50.00;
 3. A previously unreported source of income, medical, shelter or utility expense has been reported by the Household or other verification sources;
 4. Reoccurring medical, shelter or utility expenses change in excess of \$25.00;
 5. The Household size has changed;
 6. A Household member has obtained a SSN that was not previously verified; or
 7. The FAA identifies information on the current application that is inconsistent with information on previous applications or received by the FAA from a third party.

R6-14-208. ~~Expired~~ Home Visits

- A.** The FAA shall schedule a home visit:

1. To conduct an initial interview or an eligibility review requested by a homebound Household member, or
 2. When the FAA reasonably believes that such a visit will avoid an eligibility determination error.
- B.** The FAA may deny or terminate Benefits if the Applicant is not home for a scheduled visit and has not timely rescheduled the visit pursuant to R6-14-206.

R6-14-209. ~~Expired~~ Withdrawal of Benefits Application

- A.** An Applicant may withdraw an application at any time before the FAA completes an eligibility determination by requesting a withdrawal from the FAA either orally or in writing.
- B.** The FAA shall send a written notification to the Household to confirm the voluntary withdrawal and inform the Household of the Household's right to reapply at any time.

R6-14-210. ~~Expired~~ Processing the Benefits Application; Approval; Denials

- A.** The FAA shall complete the eligibility determination for initial applications within 30 Calendar Days of the application file date, unless:
1. The Household qualifies for Expedited Service as described in R6-14-211;
 2. The application is withdrawn; or
 3. A delay results from an FAA request for additional verification information as provided in R6-14-207.
- B.** The FAA shall complete the eligibility determination for Recertification applications prior to the Effective Date of closure when the application is filed on or before the 15th of the month in which the Benefits expire. When filed after the 15th of the month of expiration, the application is processed pursuant to subsection (A).

- C.** The FAA shall deny an application when the Applicant fails to:
1. Complete the application and an eligibility interview;
 2. Submit all required verification information within 10 Calendar Days of the Notice Date of a written request for verification; or
 3. Cooperate during the application process.
- D.** When a Household satisfies all eligibility criteria, the FAA shall compute a Benefit amount, approve the application, and send the Applicant an approval notice. The approval notice shall include the amount of assistance, the length of the Certification period, and an explanation of the Household's Appeal rights.
- E.** The Certification period is assigned based on the Household circumstances using the following criteria:
1. One to three months when the Household consists of ABAWD Household members who have no ABAWD exemption;
 2. Twenty-four months when all Household members are Elderly or Disabled members with no source of Earned Income or Self-Employment Income; or
 3. Twelve months for all other Households.

R6-14-211. ~~Expired~~ Expedited Service

- A.** New applications submitted are considered for Expedited Service. To be eligible for Expedited Service, the Household shall meet one of the following:
1. Expect to receive less than \$150.00 of monthly Gross Income in the calendar month of application when the Household's liquid Resources do not exceed \$100.00;

2. Combined monthly Gross Income and liquid Resources are less than the Household's anticipated monthly rent or mortgage and utilities. The appropriate utility standard, as described at R6-14-604(D)(2), shall be used when determining a Household's utility costs; or
 3. Include a destitute migrant or seasonal farmworker who has liquid Resources that do not exceed \$100.00.
- B.** Households that are entitled to Expedited Service shall have Benefits posted to the Household's EBT card no later than the seventh Calendar Day following the date of the application.
- C.** The Household shall have an EBT card and PIN available to the Household no later than the seventh Calendar Day following the date the application was filed.
- D.** Identity of the Applicant, as stated in R6-14-207, is required to be verified prior to the issuance of Benefits. Verification of all other eligibility factors may be postponed.
- E.** Expedited Benefits shall be issued as follows for applications received:
 1. From the first through the 15th of the application month, Benefits shall be issued for the month of application; and
 2. After the 15th of the application month, Benefits shall be issued for the month of application and the month after the month of application.
- F.** Postponed verification shall be provided no later than 30 Calendar Days from the date of the application.
 1. A Household shall provide all required verification to determine eligibility in order to remain eligible past the expedited months of Benefits.

2. Verification of expenses is not mandatory. Allowable expense deductions shall be removed when the Household does not provide verification, which may result in a decrease of Benefits.

G. Notice for termination or reduction of Benefits is not required when the Household was issued a notice of postponed verification informing the Household that:

1. Failure to provide verification could result in termination of Benefits; and
2. Verification provided may result in the reduction of Benefits.

R6-14-212. ~~Expired~~ Reinstatement of Benefits

A. If the FAA has terminated Benefits to a Household, the FAA shall not reinstate Benefits unless the Household files a new application, completes a new interview, and provides all required verification.

B. Notwithstanding subsection (A), when verification is received within 30 Calendar Days after the Effective Date of closure, Benefits may be reopened when all the following occur:

1. The Household reports and verifies all changes in circumstances that occurred following the Effective Date of ineligibility;
2. The Household provides all outstanding information that resulted in the most recent termination of the Household's Benefits;
3. The Household has at least one full month remaining in the Certification period following the date of compliance; and
4. The Household is eligible for Benefits during the reinstatement month and the remaining months of the Certification period.

C. Notwithstanding subsection (A), the FAA shall reinstate Benefits within 10 Calendar Days when:

1. Termination was due to Department error;
2. The Department receives a court order or administrative Hearing decision mandating reinstatement; or
3. The Household files a request for Hearing as provided in R6-14-1204 prior to the Effective Date of termination or 10 Calendar Days from the date of the notice, unless the termination was due to a mass change or past the end of the Certification period.

ARTICLE 3. NON-FINANCIAL ELIGIBILITY CRITERIA

R6-14-301. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

"Able Bodied Adult Without Dependents" or "ABAWD" R6-14-101(B)

"Alien Registration Number" R6-14-301(B)

"Applicant" R6-14-101(B)

"Benefit" or "Benefit Allotment" R6-14-101(B)

"Department" A.R.S. § 41-1951

"FAA Manual" R6-14-101(B)

"Family Assistance Administration" or "FAA" R6-14-101(B)

"Good Cause" R6-14-101(B)

<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Institution of Higher Education”</u>	<u>R6-14-101(B)</u>
<u>“Lead Participant”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Qualified Health Professional”</u>	<u>R6-14-101(B)</u>
<u>"Qualified Noncitizen"</u>	<u>7 CFR 273.4</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Administration” or “SSA”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Number” or “SSN”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Disability Insurance” or “SSDI”</u>	<u>R6-14-301(B)</u>
<u>"Student"</u>	<u>R6-14-101(B)</u>
<u>“Temporary Assistance for Needy Families” or “TANF”</u>	<u>R6-14-101(B)</u>
<u>“WIOA”</u>	<u>R6-14-101(B)</u>

B. The following definitions apply to Article 3.

1. “Alien Registration Number” means a unique number assigned to a Noncitizen by the Department of Homeland Security.
2. “Social Security Disability Insurance” or “SSDI” means disability benefits provided under Title II of the Social Security Act and administered by the SSA that are paid to eligible disabled individuals, as well as to certain disabled dependents of eligible disabled individuals.

R6-14-302. Non-Financial Eligibility Criteria and Applicant Responsibility

- A. To qualify for NA, a Household shall satisfy all applicable criteria set forth in Article 3.
- B. An Applicant or Household member shall cooperate with the FAA as a condition of initial and continuing eligibility. The Applicant or Household member shall:
 1. Give the FAA complete and truthful information;
 2. Inform the FAA of all changes in income, assets, or other circumstances of the Household affecting eligibility or the amount of Benefits within the time frames required by the change reporting method assigned to the Household; and
 3. Comply with all the FAA’s procedural requirements.
- C. The FAA shall deny an application, or reduce or terminate Benefits, if the Applicant or Recipient fails or refuses to cooperate without Good Cause. However, the FAA shall not impose sanctions for failure to comply with a procedural requirement about which the FAA has not advised the Applicant or Recipient in writing.

R6-14-303. Residency

- A. The FAA shall determine eligibility of a Household in which all members are Arizona residents.

- B.** An Arizona resident is a person who:
1. Resides in Arizona;
 2. Lives in Arizona at the time of completing an Application; and
 3. Is not receiving public assistance from another state.
- C.** A person terminates Arizona residency by leaving Arizona with the intent to live elsewhere.
- D.** The FAA shall verify Arizona residency as stated in R6-14-207(E).

R6-14-304. Citizenship and Legal Immigration Status

- A.** To qualify for Benefits, a Household member shall be a United States Citizen or a Qualified Noncitizen under 7 CFR 273.4.
- B.** The FAA shall verify the U.S. Citizenship status and the legal immigration status of Household members for whom Benefits is requested. To verify the legal immigration status of a Noncitizen Household member for whom Benefits is requested:
1. The Household shall provide the FAA the Alien Registration Number issued by the Department of Homeland Security/United States Citizenship and Immigration Services, its predecessor or successor; and
 2. The FAA shall obtain verification of the legal immigration status from the Department of Homeland Security/United States Citizen and Immigration Services by using the automated Systematic Alien Verification for Entitlements (SAVE) program.
- C.** A Noncitizen who is not a Qualified Noncitizen may serve as the Recipient for the eligible members of a Household, but the FAA shall exclude the needs of the ineligible Noncitizen from the Benefit amount.

R6-14-305. Social Security Number

- A.** To qualify for Benefits, a SSN or verification of having applied for a SSN shall be provided only for each Household member for whom Benefits has been requested. If a Household member does not have a SSN, the FAA shall refer the Household member to a Social Security office.
- B.** The FAA shall confirm the validity of a SSN through crossmatching with the SSA.
- C.** If a Household member does not provide a valid SSN or proof of having applied for an SSN, the Household member is disqualified from Benefits unless Good Cause exists. For Good Cause to exist, documentary evidence or collateral information shall indicate that the Household member has applied for an SSN or made every effort to supply the SSA with the necessary information to complete an application for an SSN. Good Cause reasons do not include delays due to illness, lack of transportation, or temporary absences.
- D.** If the Household member is able to establish Good Cause, the Household member shall be allowed to participate for the initial month of Benefits application and one following month. Good Cause shall be established on a monthly basis for the Household member to continue to be eligible for Benefits.

R6-14-306. Students

- A.** An individual, at least 18 but under 50 years of age, enrolled at least half-time in an Institution of Higher Education shall be ineligible to participate in Benefits unless the individual is exempt for at least one of the reasons in subsection (B).
- B.** A Student is potentially eligible for Benefits when the Student:

 - 1. Is employed and paid for at least 80 hours in a 30-Calendar Day period;
 - 2. Is participating in a state or federally funded work study program and receiving earnings or tuition credit for the work performed;

3. Attends school as part of the Jobs Program, the WIOA Adult, Dislocated Worker, or Youth program, the Benefits Employment and Training program, a Tribal Native Employment Works (NEW) program or a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296);
4. Receives TANF CA or supportive services;
5. Is exempt from the NA Benefits Work Requirement under the “unfit for work” exemption, according to the FAA Manual;
6. Is a single parent or single caretaker responsible for the care of a child in the home under the age of 12;
7. Is responsible for the care of a Household member over age five and under the age of 12 years old for whom adequate childcare is not available; or
8. Is responsible for the care of a Household member under the age of six years old.

R6-14-307. Verification of Disability

- A.** To verify that a Household member is a Disabled Household Member, the FAA shall obtain or the Household shall provide verification that the Household member:
1. Receives SSDI;
 2. Receives SSI due to blindness or disability;
 3. Receives federally or state-administered supplemental benefits under section 212(a) of Public Law 93-66;
 4. Receives retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act;

5. Receives VA disability benefits for a service-connected or non-service-connected disability and that the disability is rated as total or paid at the total rate by the VA;
6. Is a veteran considered by the VA to be in need of regular aid and attendance or permanently housebound under Title 38 of the United States Code;
7. Is a surviving spouse of a veteran and considered by the VA to be in need of regular aid and attendance or permanently housebound or a surviving child of a veteran and considered by the VA to be permanently incapable of self-support under Title 38 of the United States Code;
8. Is a surviving spouse or surviving child of a veteran who receives compensation for a service-connected death or pension benefits for a non-service-connected death under Title 38 of the United States Code and has a disability considered permanent under section 221(i) of the Social Security Act;
9. Receives a Railroad Retirement disability annuity from the Railroad Retirement Board and has been determined to qualify for Medicare; or
10. Receives interim assistance benefits pending the receipt of SSI, or disability-related medical assistance under Title XIX of the Social Security Act; or disability-based state general assistance benefits.

B. When an Elderly Household Member requests Benefits as a separate Household under R6-14-204(B)(1), the FAA shall:

1. Consider the Household member to be disabled without requiring further verification and shall allow the member to request Benefits as a separate Household when it is obvious to

the FAA that the Elderly Household Member is unable to purchase and prepare meals due to a severe Physical or Mental Impairment; or

2. Allow the member to request Benefits as a separate Household when the Household member provides the FAA verification from a Qualified Health Professional that:

a. The Elderly Household Member has a disability considered permanent under the Social Security Act or a non disease-related, severe, permanent disability, and

b. The Household member is unable to purchase and prepare meals.

R6-14-308. Time Limit for ABAWDs

A. An ABAWD Household member is limited to three countable months of Benefits within a three-year period as determined by the FAA. The three-month time limit does not apply to an ABAWD Household member who:

1. Is working no less than 80 hours per month unless the member missed work temporarily for Good Cause and remains employed. Good Cause includes:

a. Personal illness or illness of another Household member requiring the individual to miss work;

b. A household emergency; or

c. Unavailability of transportation.

2. Is participating in and complying with the requirements of a work program under 7 CFR 273.24(a)(3), 20 hours a week, averaged monthly, or a minimum of 80 hours per month;

3. Is complying with any combination of subsection (1) and (2) for 20 hours a week, averaged monthly or a minimum of 80 hours per month;

4. Meets a time limit exception under 7 CFR 273.24(c); or

5. Is exempt under a current ABAWD waiver approved by USDA FNS.

B. If the FAA denies eligibility of an ABAWD for not meeting the work requirements or the ABAWD is not exempt, the ABAWD regains eligibility if the ABAWD meets the work requirement eligibility. The FAA shall prorate Benefits to the date of compliance when the ABAWD member:

1. Has worked 80 hours or more after being denied for eligibility;
2. Has participated in and complied with the requirements of a work program under 7 CFR 273.24 for 80 hours or more;
3. Has performed a combination of work and participation in a work program under 7 CFR 273.24 for 80 hours or more; or
4. Becomes exempt under 7 CFR 273.24(c).

R6-14-309. Voluntary Quit and Reduction of Work Effort

A. The FAA shall disqualify a member of the Benefits Household or the entire Benefits Household when a member of the Benefits Household voluntarily quits or reduces work effort within 30 Calendar Days before, or any time after, the date of application without Good Cause. Voluntary quit and reduction of work effort occur when:

1. The Household member terminates employment from a job in which the individual was:
 - a. Employed at least 30 hours a week; or
 - b. Earned weekly income equal to the current minimum wage multiplied by 30 hours per week;
2. Reduces the number of hours worked each week from 30 or more to less than 30; or

3. Participates in a strike against the government, when the member is an employee of the local, state, or federal government.
- B.** A Household is not eligible for Benefits for the disqualification period stated in subsection (D) when the Lead Participant voluntarily and without Good Cause, as stated in subsection (F), quits a job of 30 hours a week or more or voluntarily reduces the work hours to less than 30 hours per week.
- C.** A Household member who is not the Lead Participant is not eligible for Benefits for the disqualification period stated in subsection (D) when the Household member voluntarily and without Good Cause, as stated in subsection (F), quits a job of 30 hours a week or more or voluntarily reduced the work hours to less than 30 hours per week.
- D.** The disqualification periods for a voluntary quit or reduction in work effort are:
1. One month for the first offense;
 2. Three months for the second offense; and
 3. Six months for the third and subsequent offenses.
- E.** The disqualification period for a voluntary quit or reduction in work effort applies to all members of the Household who are not exempt from work requirements as provided in R6-14-802. A Household member who is exempt from work participation because of employment is not exempt from this rule.
- F.** Good cause for a voluntary quit or reduction in work effort includes:
1. Circumstances beyond the Household member's control, such as illness of another person in the Household requiring the presence of the member, unavailability of transportation, unanticipated emergency, unsuitability of work, or the lack of adequate childcare for a

Household member who is responsible for the care of a child or children under the age of 12 years old;

2. The member's inability to write or speak a language necessary for employment;
3. Discrimination by an employer based on age, race, sex, color, disability, religious belief, national origin, or political belief;
4. Work demands or conditions that render continued employment unreasonable, such as working without being paid on schedule;
5. Resignation by a member under age of 60 years old who is recognized by the employer as retired;
6. Employment that becomes unsuitable by not meeting the suitability of work criteria listed in subsection (F)(9) after the acceptance of employment;
7. Acceptance of new employment of comparable hours and salary to the job that the Household member quit, which, through no fault of the member, subsequently:
 - a. Employment opportunity is rescinded,
 - b. Results in a layoff,
 - c. Results in employment of less than 30 hours a week, or
 - d. Results in weekly earnings of less than the federal minimum wage multiplied by 30 hours.
8. Leaving a job in connection with patterns of employment in which workers frequently move from one employer to another, such as migrant farm labor or construction work;
9. Employment that is unsuitable. Employment is unsuitable when:
 - a. The wage offered is less than the higher of:

- i. The federal minimum wage or the training wage, when applicable, if the employment is covered by federal regulations; or
 - ii. 80% of the federal minimum wage when the employment is not covered by federal regulations.
 - b. The employment offered is on a piece-rate basis, and the average hourly yield that the employee can reasonably be expected to earn is less than the applicable hourly wage as specified in subsection (F)(9)(a);
 - c. As a condition of employment, the employee is required to join, resign from, or refrain from joining any legitimate labor organization;
 - d. The work offered is at a site subject to strike or lockout, unless the strike has been enjoined under the Taft-Hartley Act (Section 208 of the Labor Management Relations Act, (29 U.S.C. 178)) or an injunction issued under section 10 of the Railway Labor Act (45 U.S.C. 160). A striker who belongs to a union may not refuse work solely because the job offered is a non-union job.
10. An employment opportunity is unsuitable when the Household member can demonstrate, or the Department finds that:
- a. The degree of risk to the individual's health and safety is unreasonable;
 - b. The individual is physically or mentally incapable of performing the assigned tasks of employment as documented by medical evidence or reliable information obtained from other sources;

- c. The distance of employment from the member's place of residence is unreasonable, with respect to the expected wage and the time and cost of commuting.
- i. Employment is unsuitable if the commuting time exceeds two hours per day, exclusive of time required to transport a child to and from a childcare facility; or
- ii. Employment is unsuitable when the distance prohibits walking, and neither public nor private transportation is available.
- d. The working hours or type of employment interferes with the individual's religious observances, convictions, or beliefs.

R6-14-310. Felony Drug Conviction; Reinstatement of Eligibility

- A.** A Household member convicted of a felony offense that has an element of possession, use, or distribution of a controlled substance and that occurred after August 22, 1996 shall have the disqualification removed when the Household member:
- 1. Is currently participating in a substance abuse treatment program;
 - 2. Is currently on a waiting list and remains enrolled for a substance abuse treatment program that the Household member will begin at the first available opportunity;
 - 3. Successfully completes a substance abuse treatment program after the disqualifying offense;
 - 4. Is determined by a Qualified Health Professional who the Household member is not in need of substance abuse treatment; or

5. Is in compliance with all terms of probation or has successfully completed probation associated with the felony drug conviction.

ARTICLE 4. FINANCIAL ELIGIBILITY: RESOURCES

R6-14-401. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Adverse Action”</u>	<u>R6-14-101(B)</u>
<u>“Categorically Eligible”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Lump Sum”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen Sponsor”</u>	<u>R6-14-101(B)</u>
<u>“Resource”</u>	<u>R6-14-101(B)</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Supplemental Security Income” or “SSI”</u>	<u>R6-14-101(B)</u>

R6-14-402. Resources; Limitations

- A.** Households that are Categorically Eligible are exempt from the Resource limits in this article.
- B.** The maximum Resource limit for a Household where all members are age 59 or younger and are not disabled is \$2,250.00.

- C. The maximum Resource limit for a Household with a member who is age 60 or older or who is disabled is \$3,500.00.
- D. The maximum Resource limits in subsections (B) and (C) may be adjusted for inflation under 7 CFR 273.8.

R6-14-403. Types of Resources; Ownership and Availability

- A. The FAA shall consider Resources that belong to any member of the Household, unless the Resource is excluded, according to R6-14-404.
- B. The FAA shall deem the Resources belonging to a Noncitizen Sponsor to be available to the Household, as provided in R6-14-504.
- C. Resources jointly owned by separate Households shall be considered in the Resources' entirety to each Household unless:
 - 1. The Household verifies that the Household does not have full access to the Resource, in which case only the portion the Household has access to shall be countable; or
 - 2. The Household verifies that the Household does not have any access to the Resource, in which case the Resource shall not be countable.

R6-14-404. Excluded Resources

- A. The following are excluded Resources:
 - 1. Homestead property, including:
 - a. A home and surrounding property that is not separated from the home by intervening property owned by others;

- b. A home that is temporarily unoccupied for reasons of employment, training for future employment, illness, or uninhabitability caused by casualty or natural disaster, remain exempt when the Household intends to return to the home; or
 - c. A lot owned or being purchased by the Household if the Household intends to build or is building a permanent home and the Household does not currently own a home.
- 2. Personal property, including:
 - a. Household goods and personal effects;
 - b. The cash value of life insurance policies;
 - c. One burial plot and funeral agreement per Household member; and
 - d. The cash value of a pension plan or retirement fund, except those accessible without penalty for withdrawal.
- 3. Resources of a person who resides in the same house but is not part of the Household;
- 4. Resources of a corporation. Financial accounts that a corporation owns shall be in the corporation's name;
- 5. Disaster relief payments provided by federal, state, or local government or a disaster assistance organization;
- 6. Resources for which the cash value is not accessible to the Household, including:
 - a. Irrevocable trust funds;
 - b. Security deposits on rental property and utilities;
 - c. Property in probate;
 - d. Real property when a good faith effort is being made to sell at a reasonable price;

- e. Jointly owned Resources that cannot be practically subdivided and are accessible only with the consent of the joint owner who refuses to give that consent;
 - f. A nonliquid Resource with a lien as a result of a business loan and the Household is prohibited by the security or lien agreement from selling the Resource;
 - g. A Resource that, when sold or otherwise disposed of, would net the Household less than the Resource limit. This amount is determined by subtracting the expenses of disposing of the Resource from the equity value. This does not apply to negotiable financial instruments or stocks and bonds; and
 - h. Resources owned solely by a SSI Recipient.
- 7. Vehicles, not including recreational vehicles or trailers;
 - 8. Farm-related Resources after farming ceases;
 - 9. Earned Income tax credit paid in a Lump Sum;
 - 10. Educational grants issued under programs administered by the U.S. Commissioner of Education when made available for school attendance costs and educational loans;
 - 11. Educational income from the BIA Student assistance program; and
 - 12. Any Resource defined as excluded in 7 CFR 273.8(e).

R6-14-405. Transfer of Resources

- A. A Household that has transferred Resources for the purpose of qualifying or attempting to qualify for Benefits shall be disqualified from participation in the program for up to one year. This disqualification period shall be applied if Resources are transferred during the three-month period prior to application or if the Resources are obtained and transferred after the Household is determined eligible for Benefits.

- B.** The disqualification period for Household members applying for Benefits shall begin the month of application.
- C.** The disqualification period for Household members receiving Benefits shall begin with the first Benefits issued after the notice of Adverse Action has expired.
- D.** The duration of the disqualification period shall be determined based on the amount in excess of the Resource limit as follows:
1. One month for \$.01 to \$249.99;
 2. Three months for \$250.00 to \$999.99;
 3. Six months for \$1,000.00 to \$2,999.99;
 4. Nine months for \$3,000.00 to \$4,999.99; or
 5. 12 months for \$5,000.00 or more.

ARTICLE 5 FINANCIAL ELIGIBILITY: INCOME

R6-14-501. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

“Affidavit of Support” R6-14-501(B)

“Benefit” or Benefit Allotment R6-14-101(B)

“Bureau of Indian Affairs” or “BIA” R6-14-101(B)

“Countable Income” R6-14-101(B)

“Department” A.R.S. § 41-1951

<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Federal Poverty Level” or “FPL”</u>	<u>R6-14-101(B)</u>
<u>“Gross Income”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Indigent”</u>	<u>R6-14-501(B)</u>
<u>“Job Corps”</u>	<u>R6-14-501(B)</u>
<u>“Lawful Permanent Resident” or “LPR”</u>	<u>R6-14-501(B)</u>
<u>“Lump-Sum Income”</u>	<u>R6-14-101(B)</u>
<u>“Minor”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen”</u>	<u>R6-14-101(B)</u>
<u>“Noncitizen Sponsor” or “Sponsor”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Overpayment”</u>	<u>R6-14-101(B)</u>
<u>“Parental Control”</u>	<u>R6-14-101(B)</u>
<u>“Projected Income”</u>	<u>R6-14-101(B)</u>

<u>“Resources”</u>	<u>R6-14-101(B)</u>
<u>“Self-Employment Income”</u>	<u>R6-14-101(B)</u>
<u>“Unearned Income”</u>	<u>R6-14-101(B)</u>
<u>“Vendor Payment”</u>	<u>R6-14-101(B)</u>
<u>“WIOA”</u>	<u>R6-14-101(B)</u>

B. The following definitions apply to Article 5.

1. “Affidavit of Support” means the United States Citizenship and Immigration Services Form I-864 or I-864A that a Noncitizen Sponsor completes to show that the Noncitizen has adequate means of financial support and is not likely to become a public charge.
2. "Indigent" means a sponsored Noncitizen whose own income and any assistance provided by the Sponsor or any individual is not enough for the Noncitizen to obtain food without NA.
3. “Job Corps” means the program authorized by 29 U.S.C. 3191 et seq. that provides education, training, intensive counseling, and related assistance to economically disadvantaged persons.
4. "Lawful Permanent Resident” or “LPR” means an immigrant who has been granted authorization by the United States Citizenship and Immigration Service to live and work in the United States on a permanent basis.

R6-14-502. Treatment of Income; In General

- A.** The FAA shall treat all income in accordance with the provisions of this Article, 7 CFR 273.9, and 7 CFR 273.10 when determining the income eligibility and Benefit amount for a Household.
- B.** Gross Income shall include the following, when actually received or reasonably certain to be received, by the Household to determine eligibility and the Benefit amount:
1. Earned Income, including wages and salaries from public or private employment, before deductions;
 2. Anticipated Self-Employment Income, which is determined by the sum of Gross Income divided by the number of months of operation and reduced by 40% when at least one of the following costs of producing Self-Employment Income is reported and verified:
 - a. Transportation expenses;
 - b. Cleaning costs or costs for the maintenance of the business location and necessary equipment;
 - c. Business-related insurance premiums;
 - d. Costs of operating machinery or equipment;
 - e. Costs of stocks or inventories;
 - f. Rent, utilities, or property taxes for the business location;
 - g. Interest and principal paid on the purchase of any of the following:
 - i. Business property;
 - ii. Capital assets;
 - iii. Equipment or machinery;
 - iv. Income producing real estate property; or
 - v. Other durable goods.

- [illegible]

C. The FAA shall verify all income before determining eligibility and a Benefit amount.

R6-14-503. Income Exclusions

A. The FAA shall not count the following when determining the income and Benefit amount:

1. Loans;
2. The following types of assistance provided for educational purposes:
 - a. BIA for educational expenses paid to the Household member from Title XIII of the Indian Higher Education Program that directly relates to school expenses;
 - b. Grants, scholarships, and loans, as provided by Title IV or Title XIII of the Higher Education Act;
 - c. Guaranteed loans, and other loans, not funded by the Title IV or Title XIII of the Higher Education Act;

- d. Student Government Loans (SGL) that are funded solely by a state and are not federally guaranteed;
 - e. Income paid to the Household member as a tribal loan for educational purposes under Title XIII of the Indian Higher Education Program;
 - f. The Montgomery GI Bill Chapter 30 and other income paid to the Household member by the Veterans Administration for educational purposes;
 - g. Educational Income (earnings and living allowances) from a WIOA Program related to Summer Component Programs and Job Corps; and
 - h. Earnings received from participation in college work study programs funded by Title I of the National and Community Service Act of 1990, Title IV of the Higher Education Act or Title XIII of the Indian Higher Education Program.
- 3. Income tax refunds, including any Earned Income tax credit;
 - 4. Non-recurring cash gifts that do not exceed \$30.00 per person in any calendar quarter;
 - 5. Housing assistance payments made through a State or local housing authority;
 - 6. The value of energy assistance payments or reimbursements issued under any federal, state, or local law, not to exceed the actual utility expense amount;
 - 7. Vendor Payments; unless in place of court ordered child support;
 - 8. Vocational rehabilitation program payments made through a WIOA Program as reimbursements for training-related expenses, subsistence and maintenance allowances, and incentive payments that are not intended as wages;
 - 9. All Unearned Income received from programs and services authorized by a WIOA Program;

10. All Earned Income received from programs and services authorized by a WIOA Program, except for earnings received from on-the-job training programs by a Household member age 19 and older;
11. Reimbursements for Jobs Program training-related expenses, including Fair Labor Standards Act supplements and Unpaid Work Experience supplements;
12. Payments from any fund established in connection with settling liability claims concerning Agent Orange death, Black Lung benefits or disabilities as specified in Public Law 101-102;
13. Burial benefits that are dispersed solely for burial expenses;
14. Disaster assistance provided by the Federal Emergency Management Agency (FEMA), Federal Disaster Relief Act, or comparable assistance provided by state or local governments, or disaster assistance organizations;
15. Radiation exposure compensation payments;
16. Volunteer income received from Volunteers in Service to America when the income started after the application date or after the Household started receiving NA Benefit;
17. Benefits from the Special Supplemental Food Program for Women, Infants, and Children (WIC);
18. Reimbursements for work-related expenses that do not exceed the actual expense amount;
19. Earned Income of Minor Household members when:
 - a. The Minor is either the child of the head of Household or is under Parental Control of an adult Household member; and

- b. The Minor is enrolled in and attending school at least halftime as defined by the institution.
20. Income received from the AmeriCorps Network Program;
21. Earned Income Tax Credit payments received as a Lump-Sum or as a monthly advance with the Household member's regular wages;
22. Childcare payments made to a Household member from Title IV-A of the Social Security Act, when the payment is a reimbursement. The exclusion applies even when the payment exceeds actual childcare expenses as specified in Public Law 100-485;
23. Payments from the Child Care Food Program made to a Household member who is self-employed as a childcare provider;
24. Federal Relocation Assistance payments made to a Household member to relocate because the member's property was acquired by a federal or federally assisted program;
25. Allowances, income, and reimbursements received in the WIOA Summer Component Program;
26. The amount designated as attorney fees that is deducted from a Household member's Workman's Compensation payment;
27. 50% of monthly Earned Income, up to a maximum of \$100.00, deposited into an Individual Development Account (IDA) per month under R6-12-405;
28. Combat zone pay received while serving in the military in a combat zone;
29. Funds made available to a Household member on a retailer gift card;
30. Hemophilia Relief Fund Settlement payments made to hemophiliacs infected with HIV as a result of class action lawsuits;

31. Funds received from a Public Housing Authority and deposited in a Public Housing Family Self Sufficiency (FSS) escrow account, and any of these funds received prior to completion of the FSS program;
32. Payments made directly to a Household member to fund an account for the fulfillment of a Plan for Achieving Self Support (PASS) under Title XVI of the Social Security Act;
33. BIA payments for yearly clothing allowance, general assistance, Tribal Assistance Project Program (TAPP) or Tribal Work Experience Program (TWEP). Clothing allowances received more than once a year, are countable.
34. Filipino Veterans Equity Compensation Fund payments;
35. Voluntary Agency (VOLAG) reception and placement payments provided to refugees;
36. Income received from American Indian Claims or Funds such as:
 - a. Alaska Native Claims Settlement Act;
 - b. Apache Mescalero Reservation;
 - c. Colorado River;
 - d. Confederated Tribes;
 - e. Fox Indians;
 - f. Grand River Band of Ottawa;
 - g. Hopi Indians - Relocation Assistance;
 - h. American Indian Claims Commission Judgments;
 - i. Individual American Indian's Interests in Trust or Restricted Land;
 - j. Little Colorado River Levee Project;
 - k. Navajo Indians - Relocation Assistance;

- l. Passamaquoddy Tribe and the Penobscott Nation;
 - m. Relocation Assistance;
 - n. Sac Indians;
 - o. Settlement for Land;
 - p. Tohono O'odham;
 - q. Trust Fund Distribution;
 - r. Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970; and
 - s. Yakima Indian Nation,
- 37. Legal Settlements such as:
 - a. Nazi Persecution payments;
 - b. Phen-Fen payments;
 - c. Spina Bifida and Covered Birth Defect payments;
 - d. USA Patriot Act of 2001 payments;
 - e. Uniform Services Former Spouse Protection Act;
 - f. Victims of Crime Act (VCA) benefits; and
 - g. Wartime Relocation of Civilians Law;
- 38. Any other income specifically excluded by applicable state or federal law.

R6-14-504. Special Income Provisions: Sponsored Noncitizens

- A.** For purposes of determining whether a portion of a Sponsor's income and Resources shall be used when determining the Countable Income for a Household that includes a sponsored

Noncitizen member or for a sponsored Noncitizen person whose income is considered available to the Household, the following requirements apply:

1. The sponsored Noncitizen member shall:
 - a. Be a LPR who meets the NA-eligible Noncitizen criteria; and
 - b. Have applied for or been granted LPR status on or after December 19, 1997.
2. The Noncitizen Sponsor shall:
 - a. Be an individual and not an organization or group; and
 - b. Have signed an Affidavit of Support on behalf of the sponsored Noncitizen member on or after December 19, 1997.
3. When the Sponsor's spouse resides with the Sponsor, and has also signed the Affidavit of Support on behalf of the sponsored Noncitizen member on or after December 19, 1997, a portion of the income and Resources of the spouse shall also be included for any purpose in this Chapter that requires the income and Resources of the Sponsor.

B. The Sponsor income and Resources shall not be countable when:

1. The sponsored Noncitizen is credited with at least 40 countable quarters of employment, according to 8 U.S.C. 1183(a);
2. The sponsored Noncitizen is a victim of domestic violence or extreme cruelty by a member of the family;
3. The sponsored Noncitizen is a victim of a severe form of human trafficking;
4. The sponsored Noncitizen becomes a naturalized United States Citizen;
5. The sponsored Noncitizen is age 17 years old or younger;
6. The Sponsor is deceased;

7. The Sponsor signed an Affidavit of Support prior to December 19, 1997 or signed an Affidavit of Support other than the I-864 or I-864A;
 8. The sponsored LPR applied for or became an LPR before December 19, 1997;
 9. The sponsored LPR was not required to have a Sponsor, such as a refugee, asylee, Cuban or Haitian entrant;
 10. The LPR entered in employment or other nonfamily categories, where the Sponsor did not have to sign the form I-864 or I-864A; or
 11. The sponsored LPR is Indigent under subsection (C) of this rule.
- C. When the Sponsor's income and Resources are countable, the FAA shall determine whether the Household is Indigent.
1. When determining the amount of Unearned Income included in the calculation, the FAA shall include:
 - a. The actual amount of cash contributions received from the Sponsor;
 - b. The cash value of food, clothing, shelter, and utilities provided by the Sponsor;
and
 - c. The cash value of Vendor Payments made by the Sponsor.
 2. When the Countable Income is below 130% of the FPL, the Household is considered Indigent.
 3. When the Household is determined to be Indigent, the Sponsor's income and Resources shall not be counted toward the Household. The FAA shall use only the actual amount of cash contributions received from the Sponsor as Countable Income available to the Household when determining a Benefit amount.

D. When the Household is not exempt from the Sponsor's income and Resources being counted and is not Indigent, the FAA shall count the income of the Sponsor as follows:

1. Determine the countable monthly Gross Income of the Sponsor:
 - a. Calculate a monthly gross Earned Income amount and deduct 20% from that amount;
 - b. Calculate a monthly gross Unearned Income amount; and
 - c. Add the amounts in subsections (D)(1)(a) and (b).
2. Calculate the number of persons living in the home who the Sponsor claims or could claim as a dependent for federal income tax purposes, including the Sponsor and the Spouse of the Sponsor.
3. Deduct an amount equal to 100% of the FPL adjusted for the family size in subsection (D)(2) from the countable monthly Gross Income calculated in subsection (D)(1)(c).
4. When the Sponsor has signed more than one Affidavit of Support form, divide the amount calculated in subsections (D)(1) through (3) by the number of I-864 or I-864A forms that have been signed by the Sponsor.
5. After deducting the amount in subsection (D)(3) from the Gross Income calculated in subsection (D)(1)(c) and dividing that amount by the number of Affidavits of Support executed by the Sponsor, the FAA shall include the remaining income amount as countable Unearned Income available to the Household.

E. When the Household is not exempt from the Sponsor's income and Resources being counted and is not Indigent, the FAA shall consider the Resources of the Sponsor as available to the Household. When calculating the value of the Sponsor's Resources, the FAA shall:

1. Apply all rules and procedures to the Sponsor's Resources in the same manner as is applied to the Household; and
2. Deduct \$1,500.00 from the calculated value of the Sponsor's Resources. The resulting amount shall be added to the value of the Household's countable Resources when determining whether the Household meets the Resource limitations.

F. When a Household includes both a sponsored Noncitizen and other members, and the provisions of this Section render the Household ineligible, the FAA shall:

1. Disqualify the sponsored Noncitizen and determine eligibility of the other members of the Household without considering the income and Resources of the Sponsor, and
2. Compute a Benefit amount with the needs of the sponsored Noncitizen member excluded from the computation.

G. Verification and Cooperation

1. The FAA shall assist the Household in obtaining any verification of the Sponsor's income, Resources, or other information.
2. When the Sponsor verification is not obtainable, the FAA shall exempt the Household from the Sponsor's income and Resources and complete the eligibility determination.
3. When the Household refuses to provide information needed to determine the income and Resources of the Sponsor:
 - a. All sponsored Noncitizens in the Household shall be ineligible for assistance.
 - b. The other members of the Household may be eligible if the members meet all other eligibility factors.

H. In addition to the change reporting requirements in Article 9 of this Chapter, the Household shall report:

1. A change in Sponsor or a change in the residence of the Sponsor's spouse when the spouse is no longer residing with the Sponsor;
2. A change in the employment of the Sponsor; and
3. The death of the Sponsor.

I. Overpayments. The Sponsor and the Noncitizen are jointly liable for any Overpayment caused by the provision of incorrect or incomplete information, unless the Sponsor had Good Cause that would make the Noncitizen solely liable. Good Cause includes:

1. The FAA failed to inform the Household or the Sponsor that the information was necessary; or
2. Extenuating personal circumstances prevented the Sponsor from providing necessary information.

R6-14-505. Determining Monthly Income

A. For each individual in the Household with Countable Income, the FAA shall determine the monthly income that is expected to be received during the Certification period using the most appropriate method described in R6-14-506.

B. The Household income shall include income that the Household, or a person whose income is considered available to the Household, has received and is expected to receive in a Benefit Month, and shall be based on the Department's reasonable expectation and knowledge of the current, past, and future circumstances of the Household or person whose income is considered available to the Household.

- C.** The FAA shall include in its calculation all Gross Income from every source available to the Household unless specifically excluded in this Article, according to 7 CFR 273, or other applicable federal or state law.
- D.** The FAA shall convert income received more frequently than monthly into a monthly amount as follows:

 - 1. Multiply the average weekly amounts by 4.3;
 - 2. Multiply the average bi-weekly amounts by 2.15; or
 - 3. Multiply the average semi-monthly amounts by two.
- E.** The FAA shall determine a new calculation of Projected Income:

 - 1. At each review for the Household; and
 - 2. When there is a reported change in Countable Income of any Household member or a person whose income is considered available to the Household.

R6-14-506. Methods to Determine Projected Monthly Income

- A.** The FAA shall determine the monthly income the Household is expected to receive using the methods described in this section.
- B.** Averaging income.

 - 1. When using this method, the FAA shall add together income from a number of weeks or months and then divide the resulting sum by the same number of weeks or months.
 - 2. The FAA shall average income, to determine income eligibility and to determine a Benefit amount, when the Household receives income:

 - a. Irregularly; or
 - b. Regularly, but from sources or in amounts which vary.

C. Prorating income.

1. When using this method, the FAA shall average income over the period of time the income is intended to cover.
2. The FAA shall prorate income when the intent is to cover a fixed period of time under a fixed-term employment contract:
 - a. Income shall be counted in the month received, if received monthly or more often, throughout all months of the contract;
 - b. Income shall be prorated over the number of months in the contract if payment is received before or during the time work is performed, but not as specified in subsection (B)(2)(a); or
 - c. Income shall be prorated over the number of months in the contract if payment is received upon completion of the work.

D. Actual income.

1. When using this method, the FAA shall use the actual amount of income received in a month and shall not convert the income to a monthly amount pursuant to R6-14-505(D).
2. The FAA shall use actual income for a Household to determine income eligibility and to determine a Benefit amount when a Household member:
 - a. Receives or reasonably expects to receive less than a full month's income from:
 - i. A new source of income; or
 - ii. A terminated source of income.
 - b. Is paid daily.

ARTICLE 6. DEDUCTIONS AND EXPENSES

R6-14-601. Definitions and Location of Definitions

A. Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

“Available Resources” R6-14-601(B)

“Countable Income” R6-14-101(B)

“Earned Income” R6-14-101(B)

“Elderly or Disabled Member” 7 CFR 271.2

“Family Assistance Administration” or “FAA” R6-14-101(B)

“Fraud” R6-14-101(B)

“Gross Income” R6-14-101(B)

“Homeless” R6-14-101(B)

“Household” R6-14-101(B)

“Net Income” R6-14-101(B)

“Qualified Health Professional” R6-14-101(B)

“Self-Employment Income” R6-14-101(B)

“Service Animal” R6-14-101(B)

“Social Security Number” or “SSN”

R6-14-101(B)

“Vendor Payments”

R6-14-101(B)

B. The following definitions apply to Article 6.

1. “Available Resources” means money, goods, or services that a Household has the ability to use and in which the Household has a legal interest including a liquidated sum that is accessible to the Household for support and maintenance.

R6-14-602. ~~Expired~~ Treatment of Deductions and Expenses; In General

- A.** Allowable deductions are subtracted from total Gross Income to determine the Household's monthly net Countable Income when the expenses are incurred by the Household.
- B.** The FAA shall determine the deduction amounts based on allowable expenses, in accordance with the provisions of this Article, 7 CFR 273.9 and 7 CFR 273.10.

R6-14-603. ~~Expired~~ Deductions from Monthly Income

- A.** Allowable deductions shall not be deductible if covered by Vendor Payments, or reimbursements, such as insurance.
- B.** A standard deduction of 8.31% of the monthly Net Income eligibility standard for Household sizes one through six, rounded up to the nearest whole dollar, shall be applied. For Household sizes greater than six the standard deduction shall be equal to the standard deduction for a six-person Household. The established standard amount shall be adjusted annually as announced by USDA FNS.
- C.** A standard 40% deduction shall be applied to the monthly gross Self-Employment Income when an allowable business expense as described at R6-14-502 is verified.

D. Each Household member with Earned Income or Self-Employment Income shall receive a deduction of 20% of gross non-exempt Earned Income, which shall be rounded down to the lower dollar if the amount ends in the \$.01 through \$.49 and rounded up to the next dollar amount if it ends in \$.50 through \$.99.

1. The 20% deduction shall apply to prorated income earned by the ineligible or disqualified member and attributed to the Household.

2. The Earned Income deduction shall not be applied to any portion of income earned under a work supplementation or work support program that is attributable to a federal, state, or local public assistance program.

R6-14-604. ~~Expired~~ Allowable Shelter and Utility Expense Deduction

A. A Household shall be allowed a monthly shelter deduction equal to the amount that exceeds 50% of the Household's income less all other allowable deductions. The allowable monthly shelter deduction cannot exceed the maximum shelter deduction amount as determined by USDA FNS.

B. Shelter expenses are allowed as billed to a Household member or as paid or billed to an ineligible or disqualified Household member as stated in R6-14-204(C). Shelter costs that are paid by or billed to a person disqualified for Fraud shall be allowed as a deduction for eligible members in the shelter costs' entirety. Shelter costs paid or billed to a person disqualified for being an ineligible Household member due to legal residency status or for failure to provide a SSN shall be divided evenly among all Household members and the disqualified individual. All except the disqualified Household member's divided share shall be counted as a shelter cost of the Household.

- C.** A maximum shelter deduction amount, as determined by USDA FNS, applies to Households that do not contain a person who is an Elderly or Disabled Member. Households containing a person who is an Elderly or Disabled Member shall not be subject to a shelter deduction maximum amount.
- D.** The allowable shelter cost includes:
1. Continuing charges for the shelter, including rent, mortgages, property taxes, homeowners and renter insurance for the structure itself, association fees or other continuing charges leading to the ownership of the shelter;
 2. A standard amount approved annually by USDA FNS used for utility costs, including electric or natural gas charges for heating and cooling, cooking, water and sewer, garbage and trash collection fees and fees charged by the utility provider for initial installation of the utility; and
 3. A telephone allowance for one telephone or the cost of telephone service that is associated with a specific device, including land-line service or cellular service.
- E.** A Homeless Household shall be entitled to use a standard estimate of shelter expenses for Households in which all Household members are homeless and are not receiving free shelter throughout the calendar month. Homeless Households that incur no shelter costs during the month shall not be eligible for the homeless shelter deduction. USDA FNS provides an update of this estimated figure annually when the shelter cap for other Households is adjusted.

R6-14-605. ~~Expired~~ Dependent Care and Child Support Expense

- A.** A dependent care deduction shall be applied for payments for the care of a child or other dependent when necessary for a Household member to accept or continue employment or to seek

employment in compliance with the job search criteria or to attend training or pursue education that is preparatory for employment. The amount of the deduction shall be determined by the actual costs for care per month for each dependent Household member.

- B.** A court-ordered child support payment made by a Household member to a non-Household member shall be allowed as an expense.

R6-14-606. ~~Expired~~ Excess Medical Expense

- A.** A deduction for excess medical expenses shall be allowed for Households that contain an Elderly or Disabled Member.

- B.** When an Elderly or Disabled Member incurs allowable medical expenses that are over \$35.00 per month, the Household shall be given a medical deduction amount allowed by USDA FNS, if the expenses are not reimbursed by insurance or a third party. Allowable medical expenses include:

1. Medical and dental care, including psychotherapy and rehabilitation services provided by a licensed practitioner authorized by State law or other Qualified Health Professional;
2. Hospitalization or outpatient treatment, nursing care, and nursing home care, including payments by the Household for an individual who was a Household member immediately prior to entering a hospital or nursing home provided by a facility recognized by the State;
3. The cost for employing a medical assistant including home health aide, nurse, housekeeper, homemaker, or attendant;
4. Prescription drugs, when prescribed by a licensed practitioner authorized under State law, and other over-the-counter medication, when approved by a licensed practitioner or other

Qualified Health Professional. The cost of any Schedule 1 controlled substance under the Controlled Substances Act at 21 U.S.C. 801 and any expenses associated with its use are not an allowable expense;

5. Medical insurance and hospitalization insurance premiums intended to cover medical expenses including health, dental, and vision insurance;
6. Out-of-pocket cost for medical supplies and equipment, rental or purchase of sick-room equipment, or other prescribed equipment are deductible;
7. Out-of-pocket cost of up to \$40.00 per day for lodging expenses to obtain medical treatment or services;
8. The cost of transportation to obtain medical treatment or services. The allowable cost shall be determined using the current USDA FNS approved mileage standard when private vehicles are used or the actual cost of fare when public transportation or common carrier is used; and
9. The cost to secure and maintain professionally trained Service Animals, including seeing eye and hearing ear animals that assist an Elderly or Disabled Member in performing normal living activities. Allowable costs include the purchase of animal food, veterinary services, kennel fees, and training.

R6-14-607. ~~Expired~~ Expenses Exceed Household Income

- A.** Expenses exceed Household income when the Household reports expenses that are more than the reported Gross Income and Available Resources.

- B.** Households in which living expenses exceed the income and Available Resources shall provide an explanation or documentary evidence showing how the Household is meeting expenses to be eligible for Benefits.

ARTICLE 7. ELIGIBILITY DETERMINATION

R6-14-701. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Appeal”</u>	<u>R6-14-101(B)</u>
<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Benefit Month”</u>	<u>R6-14-101(B)</u>
<u>“Calendar Day”</u>	<u>R6-14-101(B)</u>
<u>“Categorically Eligible”</u>	<u>R6-14-101(B)</u>
<u>“Certification”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Elderly or Disabled Member”</u>	<u>7 CFR 271.2</u>
<u>“Expedited Service”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>

<u>“Federal Poverty Level” or “FPL”</u>	<u>R6-14-101(B)</u>
<u>“Gross Income”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Net Income”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Resource”</u>	<u>R6-14-101(B)</u>

R6-14-702. Eligibility for a Household

- A.** The FAA shall determine eligibility for a specific Benefit Month based on verification of all non-financial and financial criteria that exist, and are expected to exist, for that month.
- B.** A Household shall be eligible for NA when the FAA finds that the Household:
 - 1. Satisfies the nonfinancial eligibility criteria described in Article 3;
 - 2. Does not exceed the Resource limits described in Article 4; and
 - 3. Does not exceed the income eligibility standards described in this Article.

R6-14-703. Income Eligibility Standards

- A.** Income eligibility shall be determined based on the income sources and composition of the Household.
- B.** The monthly Gross Income eligibility standard is 130% of the FPL.
- C.** The monthly Net Income eligibility standard is 100% of the FPL.

R6-14-704. Household Eligibility

- A.** All Households shall have the calculation of Net Income, allowable expenses, and Benefit levels as determined by USDA FNS. A Household shall meet the applicable monthly Gross Income and Net Income eligibility standards.
- B.** A Categorically Eligible Household does not need to meet the monthly Gross Income eligibility standard or the Net Income eligibility standard.
- C.** A Household that contains a member who is Elderly or Disabled shall meet the Net Income eligibility standard.
- D.** A Household that is not a Categorically Eligible Household or is not a Household that contains a member who is Elderly or Disabled shall meet the monthly Gross Income standard and the monthly Net Income standard.

R6-14-705. Households with Ineligible Household Members

- A.** Ineligible Household Members as listed in R6-14-204, shall be excluded when determining the Benefit Allotment and the appropriate income eligibility standard maximum or level of Benefits.
- B.** Resources, income, and expenses of ineligible Household members in subsection (A) are counted in determining eligibility and the amount of Benefits for the remaining Household members.

R6-14-706. Certification Period

- A.** The Certification period, as described at R6-14-210(E), of a Household shall be based on the predictability of the Household's circumstances.

R6-14-707. Notice of Eligibility

- A.** A Household that is eligible for Benefits shall be sent a notice no later than 30 Calendar Days after the date of application as stated in Article 2 with the following information:

1. The amount of the Benefits the Household is eligible to receive for the initial month of application and ongoing months;
 2. The beginning date and ending date of the Certification period;
 3. For Households that received Expedited Service but verification was postponed, the additional information required to be provided as described at R6-14-211;
 4. Change reporting responsibilities as described at R6-14-904;
 5. The Household's right to an Appeal as described at R6-14-1202;
 6. The Department's contact information when the Household needs help; and
 7. Information for free legal representation.
- B.** Households that are not eligible for Benefits shall be sent a notice as soon as possible but no later than 30 Calendar Days after the date of application with the following information:
1. An explanation of the reasons for the Household's ineligibility;
 2. The time limit to provide information requested by the FAA and was not provided by the Household;
 3. The Household's right to an Appeal as described at R6-14-1202;
 4. The Department's contact information; and
 5. Information for free legal representation.

ARTICLE 8. WORK REQUIREMENTS

R6-14-801. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Lead Participant”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Physical Or Mental Impairment”</u>	<u>R6-14-101(B)</u>
<u>“SNAP”</u>	<u>R6-14-101(B)</u>
<u>“Temporary Assistance for Needy Families” or “TANF”</u>	<u>R6-14-101(B)</u>

R6-14-802. Work Requirements

- A.** A Household member between the ages of 16 and 59 shall comply with the work requirements stated in 7 CFR 273.7 when not qualified for an exemption under subsection (C).
- B.** All non-exempt Household members shall be registered for work:
 - 1. Prior to initial approval for Benefits;
 - 2. Prior to being added to the Household for ongoing cases;
 - 3. Every 12 months for ongoing Benefits; and
 - 4. When a change occurs in which a previously exempt Household member no longer qualifies for an exemption.
- C.** Household members qualify for an exemption from work requirements when the Household member is:
 - 1. Age 16 or 17 and;

- a. Is a non-NA Lead Participant;
- b. Attends school at least half-time as designated by the school; or
- c. Is enrolled in an employment training program on at least a half-time basis.
- 2. A parent or caretaker who is responsible for the care of a Household member under the age of six or a person of any age who has a Physical or Mental Impairment;
- 3. Employed or self-employed and is working a minimum of 30 hours a week or earning weekly wages equal to or above the federal minimum wage multiplied by 30 hours;
- 4. Receiving unemployment insurance, has applied for unemployment insurance, or is Appealing an unemployment insurance decision;
- 5. Enrolled at least half-time in high school, an institution of Higher Education, or a training program;
- 6. Unable to work due to a Physical or Mental Impairment;
- 7. Regularly participating in a drug addiction or alcohol treatment rehabilitation program;
- 8. Eligible for the Refugee Resettlement Program and subject to the work or training program provided through the Refugee Resettlement Program; and
- 9. A Household member who is subject to and complying with the work requirement for the TANF CA program, a Tribal Native Employment Works (NEW) CA program, or a Tribal TANF Employment Program;

R6-14-803. Noncompliance with Work Requirement and Good Cause

- A. The FAA shall disqualify a Household when the nonexempt Household member designated as the NA Benefits Lead Participant fails to comply with work requirements without Good Cause.

B. The failure of a nonexempt Household member who is a non-NA Benefits Lead Participant to comply with work requirements without Good Cause shall result in the disqualification of the noncompliant Household member as follows:

1. One month for the first occurrence;
2. Three months for the second occurrence; and
3. Six months for the third and subsequent occurrences.

C. Good Cause for failure to comply with work requirements includes:

1. Household member's illness;
2. Illness of another Household member requiring the presence of the Household member;
3. Lack of transportation with no reasonable alternative;
4. Weather condition that makes walking or other forms of transportation unreasonable;
5. Unable to perform activities related to employment, including:
 - a. Unsafe worksite conditions;
 - b. Physical demands of the job;
 - c. Lack of skills, aptitude, or knowledge of the job; or
 - d. Vacancy of the job due to strike, lockout, or other bona fide labor dispute.
6. Unavailable or inadequate childcare based on the need of the child; or
7. Other comparable circumstances beyond the Household member's control.

R6-14-804. SNAP Employment & Training Work Program

A. The FAA shall inform the Household member of the option to volunteer to participate in the SNAP Employment & Training program, known in Arizona as the SNAP Career Advancement Network or SNAP CAN program, when the program is available.

- B.** A Household member meets work requirements when the Household member complies with the SNAP Employment & Training program requirements.

ARTICLE 9. CHANGES

R6-14-901. Definitions and Location of Definitions

- A.** Locations of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>"Able Bodied Adult Without Dependents" or "ABAWD"</u>	<u>R6-14-101(B)</u>
<u>"Adequate Notice"</u>	<u>R6-14-901(B)</u>
<u>"Adverse Action"</u>	<u>R6-14-101(B)</u>
<u>"Appeal"</u>	<u>R6-14-101(B)</u>
<u>"Applicant"</u>	<u>R6-14-101(B)</u>
<u>"Authorized Representative"</u>	<u>R6-14-101(B)</u>
<u>"Benefit" or "Benefit Allotment"</u>	<u>R6-14-101(B)</u>
<u>"Calendar Day"</u>	<u>R6-14-101(B)</u>
<u>"Cash Assistance" or "CA"</u>	<u>R6-14-101(B)</u>
<u>"Certification"</u>	<u>R6-14-101(B)</u>
<u>"Crossmatch Report"</u>	<u>R6-14-901(B)</u>
<u>"Department"</u>	<u>A.R.S. § 41-1951</u>
<u>"Earned Income"</u>	<u>R6-14-101(B)</u>
<u>"Effective Date"</u>	<u>R6-14-101(B)</u>
<u>"Elderly or Disabled Member"</u>	<u>7 CFR 271.2</u>

<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Gross Income”</u>	<u>R6-14-101(B)</u>
<u>“Hearing” or “Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Hearing Official”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Mid-Approval Contact”</u>	<u>R6-14-901(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Overpayment”</u>	<u>R6-14-101(B)</u>
<u>“Questionable Information”</u>	<u>R6-14-101(B)</u>
<u>“Resources”</u>	<u>R6-14-101(B)</u>
<u>“Simplified Change Reporting”</u>	<u>R6-14-101(B)</u>
<u>“Standard Change Reporting”</u>	<u>R6-14-101(B)</u>
<u>“Unclear Information”</u>	<u>R6-14-901(B)</u>
<u>“Verified Upon Receipt”</u>	<u>R6-14-901(B)</u>

B. The following definitions apply to Article 9.

1. “Crossmatch Report” means an interface with other sources.
2. “Adequate Notice” means a notice which explains the action the Department intends to take, the reason for the action, the specific authority for the action, the recipient’s appeal rights, and which is mailed before the effective date of the action.
3. "Mid-Approval Contact" means a report that Households certified for 12 months and 24 months are required to complete halfway through their Certification period to report

whether changes in residential address, household composition, income sources, income amounts of \$100 or more, court-ordered child or medical support, and decrease in work hours below 80 hours for adult Household members have occurred.

4. “Unclear Information” means information received by the Department from a third-party that is not Verified Upon Receipt and additional information from the Household is needed to determine its effect on the Household’s NA eligibility or Benefit Amount.
5. “Verified Upon Receipt” means the information received by the Department is not unclear, and sufficient to allow the Department to determine its effect on the Household’s NA eligibility and Benefit Amount.

R6-14-902. Change Reporting Requirements

A. Upon approval of Benefits, the FAA shall assign the Household either a Standard Change Reporting or a Simplified Change Reporting requirement.

1. The FAA shall assign a Standard Change Reporting requirement when:
 - a. All Household members are Elderly or Disabled and do not receive Earned Income;
 - b. All Household members are ABAWD participants with a Certification period of three months or less; or
 - c. A Household is receiving Cash Assistance in the two-parent employment program under R6-12-607.
2. The FAA shall assign a Simplified Change Reporting requirement to a Household that is not assigned a Standard Reporting requirement.

R6-14-903. Change Reporting Timeframes

- A.** All Applicants shall report any changes that have occurred from the application date through the interview date during the eligibility interview.
- B.** After the approval of Benefits, a Household shall report all changes required in the assigned change reporting requirement as stated in R6-14-904 no later than the 10th Calendar Day of the month following the month the change occurred.

R6-14-904. Changes That are Required to be Reported

- A.** A Household that is assigned a Standard Change Reporting requirement shall report changes to:

 - 1. Residential address;
 - 2. Shelter costs;
 - 3. Utility costs;
 - 4. Income increase or decrease of more than \$100.00 monthly;
 - 5. Household members;
 - 6. Legally obligated child support expense increase or decrease of more than \$50.00 monthly;
 - 7. Resources when the total value of Resources exceeds the Resource limit as stated in R6-14-402; and
 - 8. Whenever a member of the Household has lottery or gambling winnings equal to or greater than \$3,500.00 won in a single game before taxes and other withholdings.
- B.** A Household that is assigned a Simplified Change Reporting requirement shall report changes when:

 - 1. The Household's monthly Gross Income exceeds 130% of the current FPL for the Household size as determined at approval regardless of subsequent changes;

2. An ABAWD participant no longer meets an exemption, or the participant's work hours are below the required 80 hours per month as stated in R6-14-309; or
3. A member of the Household has lottery or gambling winnings equal to or greater than \$3,500.00 won in a single game before taxes and other withholdings.

R6-14-905. Change Reporting Methods

A Household shall report a change to the FAA:

1. In person;
2. By telephone;
3. By mail;
4. By fax; or
5. Online.

R6-14-906. Other Sources of Reported Changes

The FAA may also receive reported changes to a Household's circumstance from:

1. A crossmatch with another agency;
2. A Crossmatch Report provided to the Department; or
3. Any third-party source.

R6-14-907. Mid-Approval Contact

A. In addition to the changes the Household is required to report as described in R6-14-904, the FAA shall require the following Households to complete a Mid-Approval Contact form:

1. No later than the end of month 6 for Households certified for 12 months; or
2. No later than the end of month 12 for Households certified for 24 months.

- B.** At least 30 Calendar Days prior to the middle of the Certification period, the FAA shall mail a notice advising the Household of the requirement to complete the Mid-Approval Contact form and instructions for completing the requirement.
- C.** The Household shall complete and return the Mid-Approval Contact form and provide all verification, when requested, to continue receiving Benefits.
- D.** The FAA shall send a second Mid-Approval Contact notice to the Household when the FAA does not receive a response or receives an incomplete response to the Mid-Approval Contact requirement by the deadline specified on the first notice.
- E.** When the Household fails to respond to the second notice, the FAA shall notify the Household in writing of the failure to respond and the date Benefits will be terminated, allowing for Adequate Notice.
- F.** When the FAA has terminated Benefits for failure to comply with the Mid-Approval Contact requirement and the Household completes the MAC within 30 days after termination, the FAA shall reopen the case and authorize benefits. The benefit amount for the first month shall be a prorated amount based on the number of days remaining in the month after the date of compliance with the Mid-Approval Contact requirement.

R6-14-908. FAA Actions on Reported Changes

- A.** When a Household reports a change on the Mid-Approval Contact form, the FAA shall send a request for verification, when needed, and effect the changes as described in R6-14-909.
- B.** When a Household reports a change during the Certification period but outside of the Mid-Approval Contact, the FAA shall evaluate:

 - 1.** Whether the reported change contains Questionable Information; or

2. Whether the reported change contains sufficient information to effect the change.
- C.** When the FAA receives a reported change from a source specified in R6-14-906 during the Certification period, except for information received from a prison verification system or from a deceased matching system, the FAA shall evaluate:
1. Whether the reported change contains Unclear Information; or
 2. Whether the reported change is Verified Upon Receipt.
- D.** The FAA shall immediately send a notice to the Household to verify a match received from a prison verification system and from a deceased matching system.
- E.** The FAA shall redetermine eligibility or the Benefit Amount in accordance with R6-14-909 when the change reported by the Household contains sufficient information to effect the change, or when the change reported by a source specified in R6-14-906 is Verified Upon Receipt or is not Unclear Information.
- F.** The FAA shall postpone verification of the Unclear Information until the Household's Mid-Approval Contact or recertification, unless:
1. The Unclear Information directly conflicts with information that was available and used by the FAA at the time of Certification; or
 2. The Unclear Information is a change that the Household is required to report based on its assigned reporting requirement as described in R6-14-904 and the change occurred less than 60 Calendar Days from the date the Unclear Information was received by the FAA.
- G.** The FAA shall send a request for verification to the Household and allow the Household a minimum of 10 Calendar Days from the date of the request to provide verification when:
1. The reported change contains Questionable Information;

2. The reported change contains Unclear Information and does not meet the criteria for postponed verification as described in subsection (F); or
3. The reported change contains Unclear Information and meets the criteria for postponed verification, but the Unclear Information potentially increases the Household's Benefit Amount.

H. The FAA shall process all changes affecting NA eligibility and NA Benefit amounts resulting from federal or state legislative or regulatory changes.

R6-14-909. Effecting Changes

- A.** The FAA shall determine whether the change results in an increase in Benefits, a decrease in Benefits, no change to the current Benefit, or termination of Benefits.
- B.** When sufficient verification is provided with the reported change or is provided on or before the due date on the notice requesting verification, the FAA shall:
1. Increase the Benefits with the first allotment issued 10 Calendar Days after the date the change was reported; or
 2. Decrease the Benefits with the first allotment issued after the date the change is reported, allowing for an advance notice of Adverse Action in accordance with R6-14-910; or
 3. Terminate Benefits effective the first possible month allowing for an advance notice of Adverse Action in accordance with R6-14-910.
- C.** When the reported change may result in Benefit decrease or NA ineligibility and verification is not received on or before the due date indicated in the notice requesting verification, the FAA shall terminate Benefits the first possible month allowing for an advance notice of Adverse Action in accordance with R6-14-910.

1. When the requested verification is received after the due date but before the Effective Date of termination and the verification shows NA ineligibility, the FAA shall keep the case closed.
 2. When the requested verification is received after the due date but before the Effective Date of termination and the verification results in a decrease in Benefits, the FAA shall reopen the case and decrease Benefits effective the month indicated in the advance notice of Adverse Action.
- D.** When the reported change may result in Benefit increase and verification is received after the due date indicated in the notice requesting verification, the FAA shall increase the Benefit Allotment with the first Benefit issued 10 Calendar Days after the date the verification is received but no later than the month after the month the verification is received.
- E.** When a reported change that would result in a Benefit increase is not verified, the FAA shall continue the Benefits at the level prior to the reported change.
- F.** When a change reported by the Household results in no change in Benefits or NA eligibility, the FAA shall notify the Household of that result.

R6-14-910. Notice of Adverse Action

- A.** Prior to reducing or terminating a Household's Benefit, the FAA shall provide the Household with 10 Calendar Days' notice of Adverse Action, except as provided in subsection (B). The notice of Adverse Action shall contain:
1. The proposed Adverse Action to be taken by the FAA;

2. The reason for the Adverse Action;
3. The Effective Date of the Adverse Action;
4. The name and telephone number of the Department staff to contact for additional information;
5. The telephone number for free client legal services; and
6. The Appeal rights of the Household, including the availability of continued Benefits and the liability of an Overpayment while waiting for a Fair Hearing if the Hearing Official's decision is adverse to the Household.

B. Prior to reducing or terminating a Household's Benefit, the FAA shall not be required to provide the Household with 10 Calendar Days' notice of Adverse Action when:

1. The Department has information confirming the death of all Household members;
2. A mass change in Federal adjustments to eligibility standards, Benefits and deductions, and adjustments to utility standards;
3. The Household makes a written or oral request for termination;
4. The Household resides in a drug and alcohol treatment center or a group living arrangement and the place of residence loses Certification of eligibility for NA or is no longer eligible to serve as an Authorized Representative due to disqualification from USDA FNS;
5. The current address is unknown, the Household is not a Homeless, and mail to the Household has been returned to the FAA by the post office indicating no forwarding address;

6. The FAA has verified that the Household has been accepted for assistance in another state; or
7. A Household member is disqualified due to an IPV.

ARTICLE 10. TRANSITIONAL BENEFIT ASSISTANCE

R6-14-1001. Definitions and Location of Definitions

- A.** Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Cash Assistance” or “CA”</u>	<u>R6-14-101(B)</u>
<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Social Security Number” or “SSN”</u>	<u>R6-14-101(B)</u>
<u>“Trafficking”</u>	<u>7 CFR 271.2</u>
<u>“Transitional Benefit Assistance” or “TBA”</u>	<u>R6-14-1001(B)</u>
<u>“Voluntary Quit/Reduction in Work Effort”</u>	<u>R6-14-1001(B)</u>

- B.** The following definitions apply to Article 10.

1. “Transitional Benefit Assistance” or “TBA” means a state option under 7 CFR 273.26 to provide a fixed NA Benefit amount, not to exceed five consecutive months, that is

authorized for Households that are receiving both CA and NA and the CA terminates due to the receipt of Earned Income.

2. “Voluntary Quit/Reduction in Work Effort” means an action to willingly quit a job or reduce work effort without Good Cause.

R6-14-1002. General Eligibility Requirements

A. Households that are no longer eligible for Benefits due to exceeding the CA income standard or need standard as stated in R6-12-702 may potentially be eligible for up to five months of TBA.

B. A Household is eligible for TBA when the Household:

1. Currently receives a monthly allotment of Benefits;
2. Timely reports an increase of income that exceeds the income limit for Benefits, as described at R6-14-903;
3. Is in compliance with the SSN enumeration process as stated in R6-14-306 for all Household members;
4. Is in compliance with the Benefits work requirements as stated in R6-14-802;
5. Does not have any Household member currently disqualified for:
 - a. Voluntary Quit/Reduction in Work Effort without Good Cause;
 - b. IPV;
 - c. Fleeing felon; or
 - d. Violation of probation or parole; and
6. Does not have any Household member convicted of Trafficking Benefits, trading Benefits for controlled substances, or trading controlled substances for Benefits.

R6-14-1003. Benefit Amount

- A. The FAA shall determine the TBA monthly allotment using the amount of Benefits the Household received the month before the Benefits were terminated and recalculated after removing the amount of Benefits.

R6-14-1004. Changes During TBA Period

- A. Households are not required to report changes during the TBA period.
- B. The FAA shall take action during the TBA period when:
1. The FAA receives notification that a Household member is no longer living in the home;
 2. The Household no longer resides in Arizona;
 3. The Household withdraws from TBA; or
 4. A Household member has been convicted of an IPV.

ARTICLE 3 11. CLAIMS AGAINST HOUSEHOLDS

~~R6-14-301~~R6-14-1101. Purpose and Definitions and Location of Definitions

- ~~A. The Department establishes and collects claims under 7 CFR 273.18, Claims against households. This Article clarifies the Department's policies and procedures as permitted in federal regulation.~~

- A. Location of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

"Administrative Disqualification Hearing" R6-14-101(B)

"Agency Error" or "AE" R6-14-1101(B)

"Appeal" R6-14-101(B)

"Applicant" R6-14-101(B)

<u>“Benefit or Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Business Day”</u>	<u>R6-14-101(B)</u>
<u>“Calendar Day”</u>	<u>R6-14-101(B)</u>
<u>“Certification”</u>	<u>R6-14-101(B)</u>
<u>"Claim"</u>	<u>R6-14-1101(B)</u>
<u>“Claim Compromise”</u>	<u>R6-14-1101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Electronic Benefit Transfer” or "EBT"</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Hearing or Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>"Inadvertent Household Error" or “IHE”</u>	<u>R6-14-1101(B)</u>
<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Overpayment”</u>	<u>R6-14-101(B)</u>
<u>“Recertification”</u>	<u>R6-14-101(B)</u>
<u>“Trafficking”</u>	<u>7 CFR 271.2</u>
<u>"Trafficking Claim"</u>	<u>R6-14-1101(B)</u>
<u>“Wage Garnishment”</u>	<u>R6-14-1101(B)</u>

B. The ~~definitions in section R6-14-111 and the~~ following definitions apply to ~~this~~ Article 11:

1. “Agency ~~error~~ Error” or “AE-~~claim~~” means any ~~claim~~-Claim for an ~~overpayment~~ Overpayment caused by an action or failure to take action by the Department.
2. “Claim” means the amount of a federal debt owed because ~~Nutrition Assistance benefits~~ NA Benefits were overpaid or ~~benefits~~ Benefits were ~~trafficked~~ Trafficked.
3. “Claim Compromise” means reduction or dismissal of an established Claim.
3. ~~“Household” means one of the following individuals or groups of individuals, as defined in R6-14-101(B)(44), unless otherwise specified under 7 CFR 273.1(b):~~
 - a. ~~Except as contained in (b):~~
 - i. ~~An individual living alone;~~
 - ii. ~~An individual living with others, but customarily purchasing food and preparing meals for home consumption separate and apart from others; or~~
 - iii. ~~A group of individuals who live together and customarily purchase food and prepare meals together for home consumption.~~
 - b. ~~Specific to the Claim Compromise process in R6-14-308 R6-14-1109, the following persons who are residing together:~~
 - i. ~~Adults who were members of the Nutrition Assistance household Household for which the claim was established, and who were adults at the time the claim was established, and~~
 - ii. ~~Minor children for whom adult household Household members are responsible.~~
- 4.4. “Inadvertent ~~household error~~ Household Error” or “IHE-~~claim~~” means any ~~claim~~-Claim for an ~~overpayment~~ Overpayment resulting from a misunderstanding or unintended error

on the part of the ~~Nutrition Assistance household~~ Household. This includes instances when the ~~household~~ Household received more ~~benefits~~ Benefits than it was entitled to receive because the ~~household~~ Household requested a continuation of ~~benefits~~ Benefits, pending a ~~fair hearing~~ Fair Hearing decision.

~~5.~~ “~~Intentional Program Violation~~” or “~~IPV~~” ~~Claim means any claim for an overpayment or trafficking resulting from an individual committing an IPV under 7 CFR 273.18(b)(1).~~

~~6.5.~~ “~~Trafficking claim~~ Claim” means any ~~claim~~ Claim for the value of ~~benefits~~ Benefits that are trafficked, ~~under 7 CFR 273.18. Trafficking is defined under 7 CFR 271.2.~~

6. "Wage Garnishment" means a legal procedure in which a person's earnings are required by court order to be withheld by an employer for the payment of a debt.

~~R6-14-302~~R6-14-1102. Claim Calculation; Date of Discovery; Overpayment Period

Under 7 CFR 273.18, the ~~Department~~ FAA shall calculate an ~~overpayment~~ Overpayment of ~~benefits~~ Benefits ~~claim~~ Claim by:

A. Date of discovery. The date of discovery is determined when the ~~Department~~ FAA becomes aware of the ~~overpayment~~ Overpayment.

1. For ~~AE claims, an AE,~~ the date of discovery is the date the ~~overpayment~~ Overpayment has been verified or the date the ~~household~~ Household ultimately fails to respond to or satisfy an ~~overpayment~~ Overpayment inquiry.

2. For IHE and IPV ~~claims,~~ the date that the ~~Department~~ FAA obtains verification is used to calculate the ~~over-issuance~~ Overpayment.

3. For ~~claims resulting from trafficking~~ a Trafficking Claim, the date of the court decision, or the date the ~~household~~ Household signed a waiver of ~~administrative disqualification~~

~~hearing~~ Administrative Disqualification Hearing form or a disqualification consent agreement.

- B. For AE and IHE ~~claims~~, the FAA shall calculate a claim Claim for the month of the date of discovery and for each prior month, not to exceed 36 months prior to the date of discovery.
- C. For an IPV ~~claim~~ Claim not related to ~~trafficking~~ a Trafficking Claim, the FAA shall calculate a Claim ~~a claim shall be calculated~~ back to the month that the IPV first occurred, not to exceed 72 months prior to the date of discovery.
- D. For a ~~claim resulting from trafficking~~ Trafficking Claim, the FAA shall calculate a claim shall be calculated Claim for the value of the trafficked ~~benefits~~ Benefits, as determined under 7 CFR 273.18(c)(2).

~~R6-14-303~~R6-14-1103. Determining a Claim Amount

- A. For all ~~claims~~ Claims other than a ~~claim resulting from trafficking~~ Trafficking Claim:
 - 1. The ~~Department~~ FAA shall determine whether the ~~overpayment~~ Overpayment of ~~benefits~~ Benefits occurred at the time an eligibility determination was rendered for a new or ~~recertification~~ Recertification application or whether the ~~overpayment~~ Overpayment occurred during an eligible ~~certification~~ Certification period.
 - 2. When it is discovered that the ~~Department~~ FAA rendered an incorrect eligibility determination or issued an incorrect ~~benefit~~ Benefit amount because the ~~Department~~ FAA failed to correctly act on information provided on the application or reported by the ~~applicant~~ Applicant, or because the ~~applicant~~ Applicant failed to provide correct information on the application or prior to application approval, the ~~Department~~ FAA shall redetermine eligibility and a ~~benefit~~ Benefit amount for that application and for the

months in the ~~certification~~ Certification period, using the application approval or denial policies and procedures that were in effect at the time the eligibility determination for the application was rendered. The ~~Department~~ FAA ~~will~~ shall not consider information that was not previously reported by the ~~household~~ Household that would have resulted in an increase in the ~~benefit allotment~~ Benefit Allotment at the time of initial approval of ~~benefits~~ Benefits.

- a. When ~~it is determined~~ the FAA determines that the ~~household~~ a Household is ineligible, the ~~Department~~ FAA shall establish a ~~claim~~ Claim based on the amount of ~~benefits~~ Benefits issued for each month during the ~~certification~~ Certification period that was established when the application was originally approved, minus the amount of ~~benefits~~ Benefits that the ~~Department~~ FAA has expunged from the ~~household's~~ Household's EBT ~~benefit~~ account, for each of the corresponding overpaid months.
- b. When ~~it is determined~~ the FAA determines that the ~~household was~~ Household is eligible, the ~~Department~~ FAA shall establish a ~~claim~~ Claim based on the amount of ~~benefits~~ Benefits that were paid in excess of the correct ~~benefit~~ Benefit amount in each month of the ~~certification~~ Certification period, minus the amount of ~~benefits~~ Benefits that the ~~Department~~ FAA has expunged from the ~~household's~~ Household's EBT ~~benefit~~ account, for each of the corresponding overpaid months.
- c. When ~~it is determined~~ the FAA determines that the ~~household was~~ Household is eligible and received a smaller ~~benefit~~ Benefit amount ~~than it for which the~~ Household was eligible to receive because the ~~Department~~ FAA failed to correctly

act on information provided on the application or reported by the ~~applicant~~ Applicant prior to application approval, the ~~Department~~ FAA shall issue a supplement for each month in the ~~certification~~ Certification period that the ~~household~~ Household was paid less than the correct ~~benefit~~ Benefit amount as provided in 7 CFR 273.17.

3. When a change ~~occurred~~ occurs during an eligible ~~certification~~ Certification period:
 - a. The ~~Department~~ FAA shall process any change that was reported and re-determine a new ~~benefit allotment~~ Benefit Allotment amount for each affected month in the ~~certification~~ Certification period using the change processing policies and procedures that were in effect for those months ~~under 7 CFR 273.12(c)~~.
 - i. The ~~Department~~ FAA shall establish a ~~claim~~ Claim based on the amount of ~~benefits~~ Benefits that were paid in excess of the new ~~benefit~~ Benefit amount in each affected month of the ~~certification~~ Certification period, minus the amount of ~~benefits~~ Benefits that the ~~Department~~ FAA has expunged from the ~~household's~~ Household's EBT ~~benefit~~ account.
 - ii. The ~~Department~~ FAA shall issue a supplement for each month the ~~household~~ Household was paid less than the new ~~benefit~~ Benefit amount.
- b. When the ~~Department~~ FAA discovers a change ~~that~~ which was not reported by the ~~household~~ Household, the ~~Department~~ FAA shall determine whether the change was required to be reported based on the change reporting requirement assigned to the ~~household~~ Household for the ~~certification~~ Certification period.

- i. When the change was not required to be reported the ~~Department~~ FAA shall not process the change for the months in the ~~certification~~ Certification period.
- ii. When the change was required to be reported the ~~Department~~ FAA shall redetermine eligibility and a new ~~benefit allotment~~ Benefit Allotment amount for each affected month in the ~~certification~~ Certification period using the change processing policies and procedures that were in effect for those months under 7 CFR 273.12(c).
- iii. The ~~Department~~ FAA shall establish a ~~claim~~ Claim based on the amount of ~~benefits~~ Benefits that were paid in excess of the correct ~~benefit~~ Benefit amount in each month of the ~~certification~~ Certification period, minus the amount of ~~benefits~~ Benefits that the ~~Department~~ FAA has expunged from the ~~household's~~ Household's EBT ~~benefit~~ account.

B. For a ~~claim resulting from trafficking~~ Trafficking Claim, the ~~Department~~ FAA shall calculate a ~~claim~~ Claim amount based on the entire value of the ~~trafficked~~ Trafficked ~~benefits~~ Benefits.

~~R6-14-304~~R6-14-1104. Pre-establishment Cost Effectiveness Determination

The ~~Department~~ FAA shall not establish an ~~overpayment~~ Overpayment that is not cost effective using the threshold at 7 CFR 273.18(e)(2)(ii), unless the Department establishes and collects ~~claims~~ Claims under a cost-effectiveness plan approved by the ~~Food and Nutrition Service of the U.S. Department of Agriculture~~ USDA FNS under 7 CFR 273.18(e)(2)(i) that establishes a different threshold.

~~R6-14-305~~R6-14-1105. Notice of Claim

To begin collection on a ~~claim~~ Claim, the ~~Department~~ FAA shall send the ~~household~~ Household a Notice of Claim. At a minimum, the ~~notice~~ Notice of Claim shall include all elements required under 7 CFR 273.18(e)(3)(iv).

~~R6-14-306~~R6-14-1106. Acceptable Forms of Payment

The ~~Department~~ FAA may accept all forms of payment, including the methods listed in 7 CFR 273.18(f) to collect a ~~claim~~ Claim.

~~R6-14-307~~R6-14-1107. Collection Methods

- A. Allotment reduction. When a ~~household~~ Household is receiving ~~Nutrition Assistance~~ Benefits, the ~~Department~~ FAA may use the allotment reduction in 7 CFR 273.18(g)(1).
- B. As provided under 7 CFR 273.18(g)(5), the ~~Department~~ FAA may allow a ~~household~~ Household that is not participating in the ~~Nutrition Assistance~~ NA program to pay a ~~claim~~ Claim in equal monthly payments in a negotiated repayment agreement. The ~~household~~ Household shall be responsible to pay a monthly payment in one of the following amounts until the ~~claim~~ Claim is paid in full:
 - 1. An amount equal to the balance of the ~~claim~~ Claim at the time the negotiated repayment agreement is made, divided by 36; ~~or~~
 - 2. When the amount in (1) is equal to or less than \$10.00, the monthly repayment amount shall be \$10.00.
- C. Under 7 CFR 273.18(g)(6), the Department may arrange with a liable individual to intercept ~~his~~ or her the individual's unemployment compensation benefits. This collection option may be included as part of a repayment agreement. The Department may also intercept an individual's unemployment compensation benefits by obtaining a court order.

D. Under 7 CFR 273.18(g)(8), the Department may use other collection methods including that include:

1. Submitting the ~~claim~~ Claim to the Arizona Department of Revenue for payment through a state tax refund;
2. Submitting the ~~claim~~ Claim to the Arizona Lottery Commission for payment through a lottery winnings offset;
3. Submitting the ~~claim~~ Claim to the federal Treasury Offset Program under 7 CFR 273.18(n);
4. A ~~wage garnishment~~ Wage Garnishment established through a civil judgment or criminal restitution order. When the Department has obtained a judgment or order, the Department shall:
 - a. Send the ~~household~~ Household a ~~Pre-Garnishment Notice~~ notice to ~~allow~~ provide the ~~household~~ Household the opportunity to agree to pay the ~~claim~~ Claim in a manner other than ~~wage garnishment~~ Wage Garnishment; and
 - b. If the ~~household~~ Household fails to arrange for payment in response to the ~~Pre-Garnishment Notice~~ notice, the Department may request the Arizona Attorney General's Office to initiate a ~~wage garnishment~~ Wage Garnishment under A.R.S. Title 12, Chapter 9, Article 4.1, and that ~~garnishment~~ Wage Garnishment may continue until the ~~claim~~ Claim is paid in full.
5. Garnishment or levy of monies or property per A.R.S. Title 12, Chapter 9, Article 4;
6. Imposition or enforcement of all liens, including judgment liens imposed under A.R.S. § 33-961; or

7. Any other legal or equitable remedy for the collection of debts and judgments.

- E. Under 7 CFR 273.18(j) and at the Arizona Attorney General's direction, the Department shall act on behalf of the ~~Food and Nutrition Service of the U.S. Department of Agriculture~~ USDA FNS in any bankruptcy proceeding against a ~~household~~ Household subject to a ~~claim~~ Claim.

~~R6-14-308~~R6-14-1108. Claim Compromise

- A. ~~In accordance with the Department's Claim Compromise policy and procedures as contained in the Arizona Cash and Nutrition Assistance Policy manual~~ Manual, the ~~The~~ Department may compromise an entire ~~claim~~ Claim or any portion of a ~~claim~~ Claim if ~~it can be reasonably determined~~ the Department reasonably determines that a ~~household's~~ Household's economic circumstances dictate that the ~~claim~~ Claim will not be paid in three years.
- B. For purposes of a ~~claim~~ Claim Compromise "~~household~~" "Household" means the following persons who are residing together:
1. Adults who were members of the ~~Nutrition Assistance household~~ Household for which the ~~claim~~ Claim was established, and who were adults at the time the ~~claim~~ Claim was established; and
 2. Minor children for whom adult ~~household~~ Household members are responsible.
- C. When a ~~household~~ Household reports ~~that it is unable to~~ an inability to pay the ~~claim~~ Claim in the equal monthly increments specified in ~~R6-14-307 (A) or (B)~~, R6-14-1108(A) or R6-14-1108(B), the Department shall inform the ~~household~~ Household that ~~it~~ the Household may request a one-time ~~claim~~ Claim ~~compromise~~ Compromise of the claim and shall provide the ~~household~~ Household with instructions for requesting a compromise. The Department may

compromise the ~~claim~~ Claim by reducing the ~~claim~~ Claim amount and the resulting monthly payment amount when:

1. The ~~household~~ Household contacts the Department, orally or in writing, and requests a compromise of the ~~claim~~, Claim;
2. The ~~claim~~ Claim was established as an ~~Agency Error claim or an Inadvertent Household Error claim~~ AE or IHE claim;
3. There is no pending Appeal of the ~~claim~~, Claim;
4. The Department has not previously approved a compromise of the ~~claim~~, Claim; or
5. The Department approves the compromise request as provided in this rule.

D. When the Department receives a compromise request, and there is no pending ~~appeal~~ Appeal of the ~~claim~~ Claim for which the compromise is requested, the Department shall send the ~~household~~ Household a ~~Financial Statement~~ form requesting necessary financial information and verification required for the Department to determine eligibility for a ~~claim-Claim compromise~~ Compromise.

E. The ~~household~~ Household ~~must~~ shall return the completed ~~Financial Statement form~~ with requested financial information and verification to the Department no later than the ~~thirtieth calendar day~~ 30th Calendar Day following the date that the Department mailed or otherwise transmitted the form to the ~~household~~ Household. When the ~~household~~ Household requests assistance or additional time, the Department shall allow an additional ~~thirty calendar days~~ 30 Calendar Days for the ~~household~~ Household to provide a completed form. The Department shall deny the compromise claim request when the form is not provided by the ~~household~~ Household by the ~~thirtieth calendar day~~ 30th Calendar Day or the agreed upon extension date, unless the

delay was for ~~good-cause~~ Good Cause. ~~Good-cause~~ Good Cause includes circumstances beyond the ~~household's~~ Household's reasonable control such as illness, illness of another ~~household~~ Household member requiring the presence of the adult member, or a ~~household~~ Household emergency.

- F. When the form is timely provided to the Department, and all information and verification is complete, the Department shall complete the determination of eligibility for a compromise and send a notice no later than the ~~twentieth working day~~ 20th Business Day, ~~as described at~~ R6-14-402 R6-14-1203, following the date that the Department received the form and all required information and verification.
- G. When the Department approves a Household's compromise request, ~~is approved~~ the Department shall notify the ~~household~~ Household of the compromised ~~claim-Claim~~ amount, the repayment plan for the new ~~claim-Claim~~ amount, and the ~~household's~~ Household's right to file an ~~appeal~~ Appeal of the Department's action. The compromised ~~claim-Claim~~ amount shall be final unless modified by an ~~appeal-hearing~~ Appeal Hearing decision.
1. The ~~household~~ Household shall pay a monthly payment in one of the following amounts until the compromised ~~claim-Claim~~ balance is paid in full:
 - a. An amount equal to the balance of the compromised ~~claim-Claim~~ amount, divided by 36;
 - b. When the amount in subsection (1)(a) is equal to or less than \$10.00, the monthly payment shall be \$10.00;
 - c. When the ~~household~~ Household is currently participating in the ~~Nutrition Assistance~~ NA program, the Department shall reduce the ~~household's~~

~~Household's~~ monthly ~~Nutrition Assistance benefit allotment~~ Benefit Allotment by the greater of ~~\$10~~ \$10.00 or ~~10 percent~~ 10%.

- d. When the ~~household~~ Household is no longer participating in the ~~Nutrition Assistance~~ NA program, the ~~household~~ Household shall be responsible to pay the original ~~claim~~ Claim ~~compromise~~ Compromise monthly payment amount calculated in accordance with ~~(G)(1)(a) and (b)~~ R6-14-1109(G)(1)(a) and R6-14-1109(G)(1)(b). The Department shall notify the ~~household~~ Household of the ~~claim~~ Claim ~~compromise~~ Compromise monthly payment obligation.
2. The approval of a compromise request shall apply only to the ~~household~~ Household that requested the compromise and does not affect the responsibility of any person:
 - a. Who is not a member of the ~~household~~ Household that requested the compromise; and
 - b. Who is responsible for paying the claim under 7 CFR 273.18(a)(4).
- H. When the Department denies a compromise request, ~~is denied~~ the Department shall notify the ~~household~~ Household of the denial and the ~~household's~~ Household's right to file an ~~appeal~~ Appeal of the Department's action.
- I. The ~~household~~ Household may ~~appeal~~ Appeal the following actions or inaction related to a request for a compromise:
 1. The Department's inaction or untimely action on processing the compromise request;
 2. The amount of the approved compromise balance; or
 3. A denial of the compromise request.

~~R6-14-309~~R6-14-1109. Reinstatement of a Compromised Claim

A. The Department shall reinstate any compromised portion of a ~~claim~~ Claim when ~~either of the following occurs:~~

1. A ~~claim~~ Claim becomes delinquent under 7 CFR 273.18(e)(5); ~~or~~
2. The Department ~~approved~~ approves a compromise for a ~~claim~~ Claim that was originally established as an ~~Inadvertent Household Error claim IHE~~ and the original ~~claim~~ Claim is later determined to have resulted from an ~~Intentional Program Violation IPV~~, as evidenced by a signed waiver of an Administrative Disqualification Hearing, an Administrative Disqualification Hearing decision, or a decision rendered by a State or Federal court in a civil or criminal action.

~~R6-14-314~~R6-14-1110. Terminating and Writing Off a Claim

A. The Department shall terminate and write off a ~~claim~~ Claim as required under 7 CFR 273.18(e)(8)(ii)(A through E) and may terminate and write off a ~~claim~~ Claim as allowed under 7 CFR 273.18(e)(8)(ii)(F) and (G).

~~R6-14-314~~R6-14-1111. Claims Established in Another State

A. Under 7 CFR 273.18(i)(2), the Department may accept a ~~claim~~ Claim from another state if the ~~household~~ Household subject to the ~~claim~~ Claim receives ~~Nutrition Assistance benefits NA Benefits~~ in Arizona, when:

1. The Department confirms that the ~~household~~ Household was notified by the other state of the ~~overpayment~~ Overpayment; and
2. There is no pending or unresolved Fair Hearing or Appeal of the ~~overpayment~~ Overpayment in the other state; and
3. The Department determines with reasonable certainty that the ~~household~~ Household is

able to repay the outstanding ~~claim~~ Claim balance in full within the ~~Nutrition Assistance~~
NA Benefits certification Certification period assigned to the ~~household~~ Household in
Arizona.

ARTICLE 4 12. APPEALS AND FAIR HEARINGS

R6-14-1201. Definitions and Location of Definitions

A. Locations of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Adverse Action”</u>	<u>R6-14-101(B)</u>
<u>“Agency Conference”</u>	<u>R6-14-1201(B)</u>
<u>“Appeal”</u>	<u>R6-14-101(B)</u>
<u>“Appellant”</u>	<u>R6-14-1201(B)</u>
<u>“Applicant”</u>	<u>R6-14-101(B)</u>
<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Business Day”</u>	<u>R6-14-101(B)</u>
<u>“Calendar Day”</u>	<u>R6-14-101(B)</u>
<u>“Case Record”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“De Novo Proceeding”</u>	<u>R6-14-1201(B)</u>
<u>“Excusable Neglect”</u>	<u>R6-14-101(B)</u>
<u>“Expedited Service”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>

<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Hearing” or “Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Hearing Official”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Mailing Date”</u>	<u>R6-14-1201(B)</u>
<u>“Party”</u>	<u>R6-14-1201(B)</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Subpoena”</u>	<u>R6-14-1201(B)</u>

B. The following definitions apply to Article 12.

1. "Agency Conference" means an optional meeting between an Appellant and a Department representative that the Department makes available to an Appellant prior to a formal Hearing.
2. "Appellant" means an Applicant or Recipient who files an Appeal or otherwise requests a formal Hearing to resolve a dispute.
3. “De Novo Proceeding” means a Hearing in which the Hearing Official considers the matter anew based on evidence that is presented at the Hearing and without deference to the Department’s initial Adverse Action decision.
4. “Mailing Date” means the date used in reference to a document sent first class, postage prepaid, through the United States mail that is:
 - a. Shown on the postmark;
 - b. Shown on the postage meter mark of the envelope, if there is no postmark;

or

c. Entered on the document as the date of its completion, if there is no legible postmark or postage meter mark.

5. “Party” means an Appellant, Appellee, or the Department.

6. “Subpoena” means a written order from the Hearing Official to appear and provide testimony or to produce documents for inspection and consideration in a Hearing.

~~R6-14-401~~R6-14-12-1202. Entitlement to a Fair Hearing; Appealable Action

Any ~~applicant or recipient~~ Applicant or Recipient who disagrees with any action or inaction by the Department ~~which that~~ affects the participation of the ~~household~~ Household in the ~~nutrition assistance~~ NA program has the right to challenge the action or inaction by requesting a ~~fair hearing~~ Fair Hearing. Fair ~~hearings~~ Hearings are conducted by the Department’s Office of Appeals. ~~In this Article, “hearing” refers to a Fair Hearing as required in 7 CFR 273.15.~~

~~R6-14-402~~R6-14-12-1203. Computation of Time

A. In computing any time period:

1. ~~“Day” means a calendar day;~~

2. ~~“Working day” means Monday through Friday, excluding federal or Arizona state holidays;~~

3. The Department does not count the date of the act, event, notice, or default from which a designated time period begins to run as part of the time period; and

4. The Department counts the last day of the designated time period. When the last day is falls on a Saturday, Sunday, federal holiday or Arizona state holiday, the last day is the first ~~working day~~ Business Day following that day.

- B. Documents sent by the Department are considered received by an ~~applicant~~ Applicant or ~~recipient~~ Recipient on the date sent to the ~~applicant~~ Applicant or ~~recipient's~~ Recipient's last known street or e-mail address, plus an additional five ~~calendar days~~ Calendar Days only when sent by U.S. mail. The send date is the date shown on the document unless the facts show otherwise.

~~R6-14-403~~R6-14-1204. Request for Hearing: Form; Time Limits; Presumptions

- A. ~~As contained in 7 CFR 273.15(h) a request for a hearing is defined as a clear expression, oral or written, by the household or its representative to the effect that it wishes to appeal a decision~~ A member of the Household or the Household's representative may request a Hearing by clearly expressing to the Department, either orally or in writing, that the Household wishes to Appeal a decision or an Adverse Action or that an opportunity to present its the Household's case to a higher authority is desired. If it is unclear from the Household's request what action the Household wishes to Appeal, the Department may request the Household to clarify its grievance.
- B. An ~~applicant or recipient~~ Applicant or Recipient who wishes to ~~appeal~~ Appeal an action or inaction shall make an oral or written request for a ~~hearing~~ Hearing to the Department within 90 ~~days~~ Calendar Days of the ~~notice date~~ Notice Date advising the ~~applicant~~ Applicant or ~~recipient~~ Recipient of the action, ~~except that a recipient~~
1. A Recipient may appeal Appeal the current level of benefits Benefits at any time within a certification Certification period.

2. Action by the Department shall include a denial of a request for restoration of any ~~benefits~~ Benefits lost more than 90 Calendar days but less than one year prior to the request for a ~~hearing~~ Hearing.
3. An ~~applicant~~ Applicant or ~~recipient~~ Recipient may file a request for a Hearing by completing a Department form and submitting the form ~~for hearing~~ in-person, by mail, fax, phone, or ~~Internet~~ online via the internet.
4. Upon request, the Department shall ~~help assist~~ an ~~applicant~~ Applicant or ~~recipient~~ Recipient to file with filing an appeal Appeal.
5. If the ~~applicant~~ Applicant or ~~recipient~~ Recipient makes an oral request for a ~~hearing~~ Hearing, the Department shall accept the oral request, record in writing the date of the request and the stated reasons for the ~~hearing~~ Hearing, and forward the request to the Office of Appeals.
6. The right of an Applicant or Recipient ~~freedom~~ to make a request for a ~~hearing~~ Hearing shall not be limited or interfered with in any way.

~~C.~~ An appellant is an applicant or recipient who files an appeal.

DC. The Department shall process any oral or written request for a ~~hearing~~ Hearing that contains sufficient information for the Department to determine the ~~appellant's~~ Appellant's identity.

ED. The Department deems a request for ~~hearing~~ Hearing filed:

1. If the ~~appellant~~ Appellant sends the request for ~~hearing~~ Hearing by first-class mail through the United States Postal Service to the Department:
 - a. On the ~~mailing date~~ Mailing Date as shown by the postmark;

- b. In the absence of a postmark, on the postage meter mark on the envelope in which it is received; or
- c. If not postmarked or postage meter marked or if the mark is illegible, on the date entered on the document as the date of completion.

2. If the Appellant makes the request in person or by phone, on the date the Department ~~actually~~ receives the request, ~~if not mailed~~; or

3. If the Appellant makes the request electronically, on the date the request is submitted or sent electronically.

FE. A document is timely filed if the ~~appellant~~ Appellant can demonstrate that any delay in submission was due to ~~any of the following reasons:~~

- 1. Department error or misinformation;
- 2. Delay or other action by the United States Postal Service; or
- 3. Delay due to the Appellant's changing change of the Appellant's mailing addresses address at a time when the ~~appellant~~ Appellant had no duty to notify the Department of the change.

GF. When the Office of Appeals receives an untimely request for a ~~hearing~~ Hearing, the Office of Appeals shall determine whether the delay in submission is excusable, as provided in subsection ~~(F)~~ (E). The Department shall consider an untimely request for a ~~hearing~~ Hearing as a request for restoration of lost ~~benefits~~ Benefits in accordance with 7 CFR 273.17.

HG. An ~~appellant~~ Appellant whose ~~appeal~~ Appeal the Office of Appeals ~~denies~~ denied as untimely may petition for review of this issue as provided in ~~R6-14-416~~ R6-14-1217.

- ~~HI~~**. The Department shall expedite a ~~hearing~~ Hearing request for any person covered by 7 CFR 273.15(i)(2).
- ~~JI~~**. The Department shall provide interpreters or other language services at no cost to persons whose primary language is other than English. This shall include explaining the ~~hearing~~ Hearing procedures orally in the person's language if the materials are not translated into the person's language.
- ~~KJ~~**. The Department shall offer ~~the Appellant or the representative~~ an ~~agency conference~~ Agency Conference as provided by 7 CFR 273.15(d) to those persons denied ~~expedited service~~ Expedited Service and to any person who requests a conference that may lead to an informal resolution of the dispute. The Department shall advise the Appellant or the representative that use of an Agency Conference is optional and that it shall not delay or replace the Fair Hearing process. A Fair Hearing shall still be held unless the Appellant withdraws the request for a Hearing as described at R6-14-1212.

~~R6-14-404~~R6-14-1205. Stay of Action Pending Appeal

- A**. As provided by 7 CFR 273.15(k), if the ~~appellant~~ Appellant timely requests a ~~fair hearing~~ Fair Hearing, the Department shall stay the implementation of an action until the ~~hearing officer~~ Hearing Official renders a final decision on the ~~appeal~~ Appeal and the person receives the decision, unless the ~~appellant~~ Appellant signs a waiver of continuation of ~~benefits~~ Benefits.

~~R6-14-405~~R6-14-1206. Hearings: Location; Notice; Time

- A**. The Office of Appeals shall schedule the ~~hearing~~ Hearing. ~~The Office of Appeals may schedule a telephonic hearing instead of an in-person hearing or permit a witness or party, upon request, to appear telephonically.~~ The Hearing shall be conducted telephonically

unless a Party requests an in-person Hearing prior to the scheduled Hearing date.

- B.** Unless the ~~appellant~~ Appellant requests an earlier ~~hearing~~ Hearing date, the Office of Appeals shall schedule the ~~hearing~~ Hearing no earlier than 20 ~~days~~ Calendar Days from the date the Department receives the ~~appellant's~~ Appellant's request for ~~hearing~~ Hearing.
- C.** The Office of Appeals shall send a notice of ~~hearing~~ Hearing to all ~~parties~~ Parties at least 20 Calendar days before the ~~hearing~~ Hearing date, unless a request for an earlier ~~hearing~~ Hearing date is granted under subsection (B).
- D.** The notice of ~~hearing~~ Hearing shall be in writing, sent to each Party via the United States Postal Service (USPS) or its successor, or electronically with consent and shall:
1. Specify the date and time of the Hearing;
 - ~~2.~~ Include information on how to request an in-person ~~hearing~~ Hearing;
 - ~~23.~~ Advise the ~~appellant~~ Appellant or the ~~appellant's~~ Appellant's representative of the name, address, and phone number to notify the Office of Appeals in the event it is not possible for the ~~appellant~~ Appellant to attend the ~~hearing~~ Hearing;
 - ~~34.~~ Specify that the Office of Appeals will dismiss the ~~hearing~~ Hearing request if the ~~appellant~~ Appellant or the ~~appellant's~~ Appellant's representative fails to appear for the ~~hearing~~ Hearing without ~~good cause~~ Good Cause;
 - ~~45.~~ Include the Office of Appeals ~~hearing~~ Hearing procedures and any other information that ~~may~~ would provide the ~~appellant~~ Appellant with an understanding of the proceedings and that would contribute to the effective presentation of the ~~appellant's~~ Appellant's case, which shall include a pre-~~hearing~~ Hearing summary prepared by the Department, ~~and~~;

56. Explain that the ~~appellant~~ Appellant or the ~~appellant's~~ Appellant's representative may examine the ~~case file~~ Case Record prior to the ~~hearing~~ Hearing; and information about the Appellant's rights as contained in R6-14-1211; and shall be given adequate opportunity to:
- a. ~~Examine the case file prior to the hearing. The contents of the case file including the application form and documents of verification used by the Department to establish the household's ineligibility or eligibility and allotment shall be made available, provided that confidential information, such as the names of individuals who have disclosed information about the household without its knowledge or the nature or status of pending criminal prosecutions, is protected from release. If requested by the household or its representative, the Department shall provide a free copy of the portions of the case file that are relevant to the hearing. Confidential information that is protected from release and other documents or records which the household will not otherwise have an opportunity to contest or challenge shall not be introduced at the hearing or affect the hearing official's decision.~~
 - b. ~~Present the case or have it presented by legal counsel or another person.~~
 - c. ~~Bring witnesses.~~
 - d. ~~Advance arguments without undue interference.~~
 - e. ~~Question or refute any testimony or evidence, including an opportunity to~~
~~confront and cross-examine adverse witnesses.~~
 - f. ~~Submit evidence to establish all pertinent facts and circumstances in the~~

_____case.

67. ~~The notice shall include~~ Include information about the availability of free legal services.

~~R6-14-406~~R6-14-1207. Postponing the Hearing

- A. The ~~appellant~~ Appellant ~~is entitled to receive and~~ may request ~~and is entitled to receive~~ one postponement of the first scheduled ~~hearing~~ Hearing. The postponement shall not exceed 30 Calendar days and the time limit for action on the decision may be extended for as many Calendar days as the ~~hearing~~ Hearing is postponed. The Office of Appeals may grant subsequent postponements upon a showing of good cause.
- B. When the Office of Appeals reschedules a ~~hearing~~ Hearing under this Section, the Office of Appeals shall send the notice of rescheduled ~~hearing~~ Hearing at least 11 Calendar days prior to the date of the rescheduled ~~hearing~~ Hearing, unless the ~~appellant~~ Appellant agrees to shorter notice.

~~R6-14-407~~R6-14-1208. Hearing ~~Officer~~ Official: Duties and Qualifications

- A. An impartial ~~hearing officer~~ Hearing Official in the Office of Appeals shall conduct all ~~hearing~~ Hearings.
- B. The ~~hearing officer~~ Hearing Official shall:
1. Administer oaths and affirmations;
 2. Regulate the conduct and course of the ~~hearing~~ Hearing consistent with due process to ~~insure~~ ensure an orderly ~~hearing~~ Hearing;
 3. Consider all relevant issues;
 4. Request, receive, and admit into the record all evidence determined necessary to decide the issues being raised;

5. Order, where relevant and useful, an independent medical assessment or professional evaluation from a source mutually satisfactory to the ~~household~~ Household and the Department. The ~~hearing officer~~ Hearing Official shall decide on the source of the medical assessment or professional evaluation when the ~~household~~ Household and the Department are unable to agree on a mutually satisfactory source. The Department shall pay for the medical assessment or professional evaluation when such services are not available to the ~~household~~ Household as part of the ~~household's~~ Household's current health insurance coverage;
6. As provided under 7 CFR 273.15(m)(2)(vi), render a ~~hearing~~ Hearing decision and issue a written decision reversing, affirming, modifying or remanding with instructions the ~~agency's~~ Department's decision; and
7. Issue ~~subpoenas~~ Subpoenas under ~~R6-14-409~~ R6-14-1210.

~~R6-14-408~~R6-14-1209. Change of Hearing ~~Officer~~ Official; Challenges for Cause

- A. A party may request a change of ~~hearing officer~~ Hearing Official as prescribed in A.R.S. § 41-1992(B) by filing an affidavit that includes:
 1. The case name and number;
 2. The ~~hearing officer~~ Hearing Official assigned to the case; and
 3. The name and signature of the ~~party~~ Party requesting the change.
- B. The ~~party~~ Party requesting the change shall file the affidavit with the Office of Appeals and send a copy to all other ~~parties~~ Parties at least five Business days before the ~~hearing~~ Hearing date.
- C. A ~~party~~ Party shall request only one change of ~~hearing officer~~ Hearing Official unless that ~~party~~ Party is challenging a ~~hearing officer~~ Hearing Official for cause under subsection (E).

- D. A ~~party~~ Party may not request a change of ~~hearing officer~~ Hearing Official once the ~~hearing officer~~ Hearing Official has heard and decided a motion except as provided in subsection (E).
- E. At any time before a ~~hearing officer~~ Hearing Official renders a final decision under ~~R6-14-414~~R6-14-1215, a ~~party~~ Party may challenge a ~~hearing officer~~ Hearing Official on the grounds that the ~~hearing officer~~ Hearing Official is not impartial or disinterested in the case.
- F. A ~~party~~ Party who brings a challenge for cause shall file an affidavit as provided in subsection (A) and send a copy of the affidavit to all other ~~parties~~ Parties. The affidavit shall explain the reason why the assigned ~~hearing officer~~ Hearing Official is not impartial or disinterested.
- G. When a ~~party~~ Party files an affidavit for a change in ~~hearing officer~~ Hearing Official as provided in subsection (F), the Office of Appeals shall assign another ~~hearing officer~~ Hearing Official to determine whether the ~~hearing officer~~ Hearing Official being challenged shall be removed, unless the ~~hearing officer~~ Hearing Official recuses ~~himself or herself~~ voluntarily.
- H. The Office of Appeals shall transfer the case to another ~~hearing officer~~ Hearing Official when:
1. A Party requests a change as provided in subsections (A) through (D); or
 2. The ~~hearing officer~~ Hearing Official is removed for cause, as provided in subsections (E) through (G).
- I. The Office of Appeals shall send the ~~parties~~ Parties written notice of the new ~~hearing officer~~ Hearing Official assignment.

~~R6-14-409~~R6-14-1210. Subpoenas

- A. A ~~party~~ Party may ask the assigned ~~hearing officer~~ Hearing Official to issue a ~~subpoena~~ Subpoena for a witness, document, or other physical evidence or to otherwise obtain the

requested evidence. ~~An Appellant may request a Subpoena forms form from the Department are available to the appellant Appellant under R6-14-410(D).~~

B. The ~~party~~ Party seeking the ~~subpoena~~ Subpoena shall send the ~~hearing officer~~ Office of Appeals a written Subpoena form for a subpoena Subpoena request. The request shall include:

1. The case name and number;
2. The name of the ~~party~~ Party requesting the ~~subpoena~~ Subpoena;
3. The name and address of any person to be ~~subpoenaed~~ Subpoenaed;
4. A description of any documents or physical evidence the ~~appellant~~ Appellant desires the ~~hearing officer~~ Hearing Official to ~~subpoena~~ Subpoena, including the title, appearance, and location of the item if the ~~appellant~~ Appellant knows its location, and the name and address of the person in possession of the item; and
5. A statement about the expected substance of the testimony or other evidence, as well as the relevance and importance of the requested testimony or other evidence.

C. A ~~party~~ Party shall request a ~~subpoena~~ Subpoena at least five ~~working days~~ Business Days before the ~~hearing~~ Hearing date. A ~~party~~ Party who is unable to request a ~~subpoena~~ Subpoena at least five ~~days~~ Business Days before the ~~hearing~~ Hearing date may request a postponement of the ~~hearing~~ Hearing. A ~~party~~ Party may raise the denial of a ~~subpoena~~ Subpoena request in a petition for review to the Appeals Board, pursuant to ~~R6-14-416~~ R6-14-1217.

D. The ~~hearing officer~~ Hearing Official shall deny a request for a Subpoena if the witness's testimony or the physical evidence is not relevant to an issue in the case or is duplicative.

E. The Office of Appeals shall prepare and serve all ~~subpoenas~~ Subpoenas by mail, except that the Office of Appeals may serve ~~subpoenas~~ Subpoenas on a state ~~employees~~ employee who ~~are~~ is

appearing in the course of ~~their jobs~~ the employee's job, by regular mail, hand-delivered mail, e-mail, or interoffice mail.

~~R6-14-410~~R6-14-1211. ~~Parties' Rights~~ Household's Rights During Hearing

~~The appellant and the Department have the following rights:~~

A. The Appellant or the Appellant's representative shall be given adequate opportunity to:

1. ~~The right to request a postponement of the hearing;~~ Examine all documents and records to be used at the Hearing at a reasonable time prior to the Hearing, as well as during the Hearing. The contents of the Case Record including the application form and documents of verification used by the FAA to establish the Household's ineligibility or eligibility and allotment shall be made available, provided that confidential information about the Household without its knowledge or the nature or status of pending criminal procedures, is protected from release.
 - a. If requested by the Household or the Household's representative, the Department shall provide a free copy of the portions of the Case Record that are relevant to the Hearing.
 - b. Confidential information that is protected from release and other documents or records that the Household will not otherwise have an opportunity to contest or challenge shall not be introduced at the Hearing nor affect the Hearing Official's decision;
2. ~~The right to receive before and during the hearing documents the Department may use at the hearing and a free copy of any documents in the Department's file on the appellant;~~

- ~~except documents protected by the attorney-client or work-product privilege or as otherwise protected by federal or state confidentiality laws; Present the case or have the case presented by legal counsel or another person;~~
3. ~~The right to request a change of hearing officer; Bring witnesses;~~
 4. ~~The right to request subpoenas for witnesses and evidence; Advance arguments without undue interference;~~
 5. ~~The right to be represented by an authorized representative, subject to any limitations on the unauthorized practice of law in the Rules of the Supreme Court of Arizona, Rule 31; Question or refute any testimony or evidence, including an opportunity to confront and cross-examine adverse witnesses; and~~
 6. ~~The right to bring witnesses, present evidence and to confront and cross-examine adverse witnesses; Submit evidence to establish all pertinent facts and circumstances in the case by mail, fax, courier or electronically.~~
 7. ~~The right to advance arguments without undue interference, to question or refute any testimony or evidence; and~~
 8. ~~The right to further appeal, as provided in R6-14-416 and R6-14-417, if dissatisfied with the Office of Appeals decision.~~

~~R6-14-411~~R6-14-1212. Withdrawal of an Appeal

- A. An ~~appellant~~ Appellant may withdraw an ~~appeal~~ Appeal at any time prior to the time the ~~hearing officer~~ Hearing Official issues a decision.
1. An ~~appellant~~ Appellant may withdraw an ~~appeal~~ Appeal orally, either in person or by telephone. The Department may record the audio of the withdrawal. The Department is

prohibited from coercion or ~~any action~~ ~~actions~~ that ~~would~~ may influence the Appellant or the Appellant's representative to withdraw the ~~fair hearing~~ Fair Hearing request. The Department ~~must~~ shall provide a written notice within 10 Calendar days of the oral request confirming the withdrawal request and providing the person an opportunity to request to reinstate the ~~hearing~~ Hearing within 10 Calendar days of the date the notice is received as provided in ~~R6-14-402~~ R6-14-1203(B).

2. An ~~appellant~~ Appellant may withdraw an ~~appeal~~ Appeal by signing a written statement expressing the intent to withdraw. The Department shall make a withdrawal form available for this purpose.

B. The Office of Appeals shall dismiss the ~~appeal~~ Appeal when the ~~appellant~~ Appellant or the ~~appellant's~~ Appellant's representative provides a signed withdrawal request to the Department or to the ~~hearing officer~~ Hearing Official prior to the issuance of a ~~hearing~~ Hearing decision or when the ~~appellant~~ Appellant or the ~~appellant's~~ Appellant's representative makes such a request on the record during a ~~hearing~~ Hearing, or orally as provided in subsection (A)(1).

~~R6-14-412~~ R6-14-1213. Failure to Appear; Default; Reopening

- A.** If an ~~appellant~~ Appellant fails to appear at the ~~hearing~~ Hearing, the ~~hearing officer~~ Hearing Official shall:
1. Enter a default and issue a decision dismissing the ~~appeal~~ Appeal, except as provided in subsection (B);
 2. Rule summarily on the available record; or
 3. Adjourn the ~~hearing~~ Hearing to a later date and time.

- B. The ~~hearing officer~~ Hearing Official shall not enter a default or rule summarily if the ~~appellant~~ Appellant notifies the Office of Appeals before the scheduled time of ~~hearing~~ Hearing that the ~~appellant~~ Appellant cannot attend the ~~hearing~~ Hearing because of Good Cause and still desires a ~~hearing~~ Hearing or wishes to have the matter considered on the available record. ~~Good cause~~ Good Cause includes circumstances beyond the ~~household's~~ Household's reasonable control such as, but not limited to, illness, illness of another ~~household~~ Household member requiring the presence of the adult member, or a ~~household~~ Household emergency.
- C. A ~~party~~ Party who did not appear at the ~~hearing~~ Hearing may file a request to reopen the proceedings no later than 10 Business days after the ~~hearing~~ Hearing. The request shall be in writing, by mail fax or e-mail, or be made in person or by telephone and shall demonstrate ~~good cause~~ Good Cause for the ~~party's~~ Party's failure to appear.
- D. If the ~~hearing officer~~ Hearing Official finds that the ~~party~~ Party had ~~good cause~~ Good Cause for failure to appear, the ~~hearing officer~~ Hearing Official shall reopen the proceedings and schedule a new ~~hearing~~ Hearing with notice to all interested ~~parties~~ Parties as prescribed in ~~R6-14-405~~ R6-14-1206.
- E. If the ~~hearing officer~~ Hearing Official cannot grant or deny the request to reopen the proceedings based on the information provided, the ~~hearing officer~~ Hearing Official shall set the matter for a ~~hearing~~ Hearing to determine whether the ~~party~~ Party had ~~good cause~~ Good Cause for failure to appear.
- F. ~~Good cause~~ Good Cause, for the purpose of reopening a ~~hearing~~ Hearing, is established if the failure to appear at the ~~hearing~~ Hearing and the failure to timely notify the ~~hearing officer~~ Hearing Official were beyond the reasonable control of the nonappearing ~~party~~ Party. Good

~~Cause includes illness, illness of another Household member requiring the presence of the adult member, or a Household emergency. Good cause~~ Good Cause also exists when the nonappearing party Party demonstrates ~~excusable neglect~~ Excusable Neglect, as used in Arizona Rules of Civil Procedure, Rule 60(b)(1) for both the failure to appear and the failure to timely notify the ~~hearing officer~~ Hearing Official. ~~“Excusable neglect” means an action involving an error such as might be made by a reasonably prudent person who attempts to handle a matter in a prompt and diligent fashion.~~

~~R6-14-413~~R6-14-1214. Hearing Proceedings

- A. The ~~hearing~~ Hearing is a ~~de novo proceeding~~ De Novo Proceeding. The Department has the initial burden of presenting the evidence to support the ~~adverse action~~ Adverse Action being ~~appealed~~ Appealed.
- B. The standard of proof is a preponderance of the evidence.
- C. The Arizona Rules of Evidence do not apply at the ~~hearing~~ Hearing. The ~~hearing officer~~ Hearing Official may admit and give probative effect to evidence as prescribed in A.R.S. § 41-1062(A).
- D. The Office of Appeals shall audio record all ~~hearings~~ Hearings. The Office of Appeals shall also transcribe the proceedings when a transcription is requested by the Appeals Board or when a transcription is required for judicial review under A.R.S. § 41-1993. If a transcript is prepared for any purpose, the ~~appellant~~ Appellant is entitled to a copy of the transcription at no cost.
- E. A ~~party~~ Party may, at the ~~party's~~ Party's own expense, arrange to have a court reporter present to transcribe the ~~hearing~~ Hearing, provided that such transcription does not delay or interfere with the ~~hearing~~ Hearing. The Office of Appeal's recording of the ~~hearing~~ Hearing shall constitute the official record of the ~~hearing~~ Hearing.

- F. The ~~hearing officer~~ Hearing Official shall call the ~~hearing~~ Hearing to order and dispose of any pre-~~hearing~~ Hearing motions or issues.
- G. With the consent of the ~~hearing officer~~ Hearing Official, the ~~parties~~ Parties may stipulate to factual findings or legal conclusions.
- H. A ~~party~~ Party may advance arguments without undue interference.
- I. A ~~party~~ Party may testify, present evidence, call witnesses, cross-examine adverse witnesses, and object to evidence. The ~~hearing officer~~ Hearing Official may also take witness testimony or admit evidence on the ~~hearing officer's~~ Hearing Official's own motion.
- J. The ~~hearing officer~~ Hearing Official shall keep a complete record of all proceedings in connection with an ~~appeal~~ Appeal.
- K. The ~~hearing officer~~ Hearing Official may request the ~~parties~~ Parties to submit memoranda on issues in the case if the ~~hearing officer~~ Hearing Official finds that the memoranda would assist the ~~hearing officer~~ Hearing Official in deciding the case. The ~~hearing officer~~ Hearing Official shall establish a briefing schedule for any required memoranda.
- L. The recording of the ~~hearing~~ Hearing, all the evidence presented at the ~~hearing~~ Hearing and all papers and requests filed shall constitute the record and shall be available to the ~~household~~ Household or its representative at any reasonable time for copying and inspection.

~~R6-14-414~~R6-14-1215. Hearing Decision

- A. No later than 60 Calendar days after the date the ~~appellant~~ Appellant files a request for ~~hearing~~ Hearing with the Department, the ~~hearing officer~~ Hearing Official shall render a decision based solely on the evidence and testimony produced at the ~~hearing~~ Hearing and the applicable law.

The 60-day time limit is extended for any delay necessary to accommodate ~~hearing~~ Hearing continuances or extensions, or postponements requested by a ~~party~~ Party.

B. The ~~hearing~~ Hearing decision shall include:

1. Findings of fact concerning the issue on ~~appeal~~ Appeal;
2. Citations to the law and authority applicable to the issue on ~~appeal~~ Appeal;
3. A statement of the conclusions derived from the controlling facts and law and the reasons for the conclusions;
4. The name of the ~~hearing officer~~ Hearing Official;
5. The date of the decision;
6. A statement of further ~~appeal~~ Appeal rights, a statement of the process required to initiate a further ~~appeal~~ Appeal, and the time period for exercising those rights; and
7. That an ~~appeal~~ Appeal may result in a reversal of the decision.

C. The Office of Appeals shall send a copy of the decision to each ~~party~~ Party or the ~~party's~~ Party's representative.

D. When requested by the ~~appellant~~ Appellant, the Department, or upon the ~~hearing officer's~~ Hearing Official's own motion, the Office of Appeals may amend or vacate a decision to correct clerical errors, including typographical and computational errors.

~~R6-14-415~~R6-14-1216. Effect of the Decision

A. If the ~~hearing officer~~ Hearing Official affirms the ~~adverse action~~ Adverse Action against the ~~appellant~~ Appellant, the ~~adverse action~~ Adverse Action is effective as of the date of the initial determination of ~~adverse action~~ Adverse Action by the Department. The ~~adverse action~~ Adverse Action remains effective until the ~~appellant~~ Appellant ~~appeals~~ Appeals and obtains a higher

administrative or judicial decision reversing or vacating the ~~hearing officer's~~ Hearing Official's decision.

B. If the ~~hearing officer~~ Hearing Official vacates or reverses the Department's decision to take ~~adverse action~~ Adverse Action, the Department shall not take the action or shall reverse any ~~adverse action~~ Adverse Action, unless the Department ~~appeals~~ Appeals and obtains a higher administrative or judicial decision reversing or vacating the ~~hearing officer's~~ Hearing Official's decision.

C. As specified in 7 CFR 273.15(c) the Department shall:

1. For decisions that result in an increase in ~~household~~ Household ~~benefits~~ Benefits:
 - a. ~~Reflect the increase~~ Authorize and deposit a benefit supplement in the ~~household's~~ Household's EBT ~~benefit~~ account within 10 Calendar days of the receipt of the ~~hearing~~ Hearing decision; or
 - b. The Department may take longer than 10 Calendar days if it elects to make the decision effective in the ~~household's~~ Household's normal issuance cycle, provided that the issuance will occur within 60 Calendar days from the ~~household's~~ Household's request for the ~~hearing~~ Hearing.
2. For decisions that result in a decrease in ~~household~~ Household ~~benefits~~ Benefits the Department shall ~~authorize and deposit a decreased benefit amount~~ reflect the decrease in the ~~household's~~ Household's EBT ~~benefit~~ account ~~for in~~ the next scheduled issuance following receipt of the ~~hearing~~ Hearing decision.

~~R6-14-416~~R6-14-1217. Further Administrative Appeal

- A. A ~~party~~ Party ~~can appeal~~ may Appeal an adverse decision issued by a ~~hearing officer~~ Hearing Official to the Department's Appeals Board as prescribed in A.R.S. § 41- 1992(C) and (D) by filing a written petition for review with the Office of Appeals within 15 Calendar days of the mailing or transmittal date of the ~~hearing officer's~~ Hearing Official's decision.
- B. The petition for review shall:
- a. Be in writing and filed in person or by mail or fax;
 - b. Describe why the ~~party~~ Party disagrees with the ~~hearing officer's~~ Hearing Official's decision; and
 - c. Be signed and dated by the ~~party~~ Party or the ~~party's~~ Party's representative.

~~R6-14-417~~R6-14-1218. Appeals Board

- A. The Appeals Board shall conduct proceedings in accordance with A.R.S. §§ 41-1992(D) and A.R.S. § 23-672.
- B. The Appeals Board shall issue to all ~~parties~~ Parties a final written decision affirming, reversing, setting aside, or modifying the ~~hearing officer's~~ Hearing Official's decision based on the complete record, including the audio recording or the transcript of the ~~hearing~~ Hearing. The decision of the Appeals Board shall specify the right to further review and the time for filing an application for ~~appeal~~ Appeal.
- C. A ~~household appellant~~ Household Appellant adversely affected by an Appeals Board decision may seek judicial review under A.R.S. § 41-1993.

ARTICLE 5 13. INTENTIONAL PROGRAM VIOLATION

R6-14-1301. Definitions and Location of Definitions

A. Locations of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Administrative Disqualification Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Appeal”</u>	<u>R6-14-101(B)</u>
<u>“Applicant”</u>	<u>R6-14-101(B)</u>
<u>“Attorney-Client Privilege”</u>	<u>R6-14-101(B)</u>
<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 41-1951</u>
<u>“Earned Income”</u>	<u>R6-14-101(B)</u>
<u>“Electronic Benefit Transfer” or “EBT”</u>	<u>R6-14-101(B)</u>
<u>“Excusable Neglect”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA”</u>	<u>R6-14-101(B)</u>
<u>“Fraud”</u>	<u>R6-14-101(B)</u>
<u>“Good Cause”</u>	<u>R6-14-101(B)</u>
<u>“Hearing or Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Hearing Official”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Intentional Program Violation” or “IPV”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>
<u>“Recipient”</u>	<u>R6-14-101(B)</u>
<u>“Resources”</u>	<u>R6-14-101(B)</u>
<u>“SNAP”</u>	<u>R6-14-101(B)</u>

B. The following definitions apply to Article 12.

1. “Work-product Privilege” means protection from disclosure for tangible material or the intangible equivalent prepared in anticipation of litigation or for trial at the direction of an attorney.

~~R6-14-501~~R6-14-1302. **Intentional Program Violations (IPV); Defined**

- A.** An ~~Intentional Program Violation (IPV)~~ consists of a person ~~having~~ intentionally:
1. ~~Made~~ Making a false or misleading statement, or ~~misrepresented, concealed or withheld facts~~ misrepresenting, concealing, or withholding facts; or
 2. ~~Committed~~ Committing any act that constitutes a violation of the Food and Nutrition Act, the ~~Supplemental Nutrition Assistance Program~~ SNAP Regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of ~~Supplemental Nutrition Assistance Program~~ SNAP ~~benefits~~ Benefits or ~~Electronic Benefit Transfer (EBT)~~ EBT cards. ~~In Arizona, the name of the Supplemental Nutrition Assistance Program is the Nutrition Assistance Program.~~
- B.** For the purpose of imposing sanctions as prescribed in ~~R6-14-505~~R6-14-1306, a person is considered to have committed an IPV if:
1. A person signs a waiver of an Administrative Disqualification Hearing,
 2. A person is found to have committed an IPV by an Administrative Disqualification Hearing, or

3. A person is convicted of a criminal offense the elements of which would constitute an IPV under subsection ~~A~~ (A) above or enters into a disqualification consent agreement for deferred prosecution for ~~fraud~~ Fraud in a court of law.

~~R6-14-502~~R6-14-1303. IPV Administrative Disqualification Hearings; Hearing Waiver

- A. Upon receipt of sufficient documentary evidence substantiating that a person has committed an IPV, the Department shall initiate either an Administrative Disqualification Hearing, or a referral for prosecution.
- B. When the Department initiates an Administrative Disqualification Hearing, the Department shall mail the person suspected of an IPV written notice of the right to waive the Administrative Disqualification Hearing. This notice shall be sent either by first class mail or certified mail – return receipt requested.
- C. The waiver notice of the Administrative Disqualification Hearing shall include the following information as well as the information described in ~~R6-14-503~~R6-14-1304(D):
 1. A statement that the Department has determined that the individual suspected of the IPV committed, or intended to commit, one or more acts described in ~~R6-14-501~~R6-14-1302(A) and that the Department has initiated an Administrative Disqualification Hearing against the individual suspected of the IPV;
 2. A summary of the allegations and evidence against the individual suspected of the IPV and notification that the individual suspected of the IPV has the right to examine the ~~case file~~ Case Record prior to the ~~hearing~~ Hearing and, when requested by the individual or representative, be provided a free copy of any documents in the ~~case file~~ Case Record.

except documents protected by the ~~attorney-client~~ Attorney-Client or ~~work-product~~ Work-product Privilege or as otherwise protected by federal or state confidentiality laws;

3. A statement of the right of the individual suspected of the IPV to remain silent concerning the allegation of an IPV, and that anything said or signed by the individual concerning the allegations can be used against the individual suspected of the IPV in a court of law, including signing any part of the waiver;
4. A statement that signing a waiver of the Administrative Disqualification Hearing will result in disqualification periods as determined by section ~~R6-14-505~~ R6-14-1306, a statement of the penalty the Department believes is applicable to the case scheduled for a ~~hearing~~ Hearing and a reduction in ~~benefits~~ Benefits for the period of disqualification, even if the individual suspected of the IPV does not admit to the facts as presented by the Department;
5. A statement that the individual suspected of the IPV does not have to sign a waiver of the Administrative Disqualification Hearing, return the waiver form to the Department, or speak to anyone at the Department;
6. A statement of the ~~fair-hearing~~ Fair Hearing rights of the individual suspected of the IPV and notification that these rights are waived when the individual suspected of the IPV submits a signed waiver of the Administrative Disqualification Hearing form;
7. A statement that waiver of the Administrative Disqualification Hearing does not preclude the State or Federal Government from prosecuting the individual suspected of the IPV for

the IPV in a civil or criminal court action, or from collecting any over issuance of ~~Nutrition Assistance benefits~~ Benefits;

8. A statement that the individual suspected of the IPV may wish to consult an attorney and a list of any individuals or organizations that provide free legal representation;
9. A statement that ~~Nutrition Assistance benefits~~ Benefits will continue and will only be terminated if the following occurs:
 - a. The individual suspected of the IPV signs a notice to waive ~~their~~ the individual's rights to an Administrative Disqualification Hearing,
 - b. There is an Administrative Disqualification Hearing decision that the individual suspected of the IPV is disqualified,
 - c. The individual is determined to no longer be eligible on other grounds, or
 - d. The individual requests that the ~~Nutrition Assistance benefits~~ Benefits not be continued in order to avoid a potential over issuance of ~~benefits~~ Benefits.
10. A statement that the remaining adult ~~household~~ Household members, if any, will be held responsible for repayment of the resulting over-issuance ~~claim~~ Claim;
11. An opportunity for the individual suspected of the IPV to specify whether or not the individual admits to the facts as presented by the Department. This opportunity shall consist of the following statements, and a method for the individual suspected of the IPV to designate the individual's waiver choice:
 - a. I admit to the facts as presented in my Benefits case and understand that a disqualification penalty will be imposed if I sign this waiver. I understand that if I sign this waiver, there will not be an Administrative Disqualification Hearing; or

- b. I do not admit that the facts as presented are correct in my ~~Nutrition Assistance~~ Benefits case. However, I have chosen to sign this waiver of the Administrative Disqualification Hearing. I also understand that a disqualification penalty will be imposed. I understand that if I mark this box, I will not be able to submit additional evidence, have an Administrative Disqualification Hearing, or have the right to administrative ~~appeal~~ Appeal; or
- c. I do not admit that the facts as presented are correct in my ~~Nutrition Assistance~~ Benefits case. I do not waive my right to require an Administrative Disqualification Hearing where the Department ~~must~~ shall prove by clear and convincing evidence that I committed, and intended to commit, an ~~Intentional Program Violation~~ IPV.
12. A statement that if the individual suspected of the IPV does not waive ~~their~~ the right to an Administrative Disqualification Hearing, then the Department ~~must~~ shall prove by clear and convincing evidence that the person committed and intended to commit, an ~~Intentional Program Violation~~ IPV. The statement shall also advise the person that ~~they~~ the person may attend the ~~hearing~~ Hearing but are not required to attend. If the person opts to attend the ~~hearing~~ Hearing, ~~they~~ the person may talk to the judge about what happened and present additional evidence to the judge if ~~they~~ the person ~~want~~ wants to. The person also has the right to remain silent. The judge will decide if the person will be disqualified from participating in the ~~Nutrition Assistance~~ NA program-;
13. The telephone number of the appropriate ~~Department~~ FAA unit that the individual may contact to obtain additional information.

14. A due date that the signed waiver of an Administrative Disqualification Hearing ~~must~~ shall be provided to the Department so that a ~~hearing~~ Hearing will not be held and a signature block for the individual suspected of the IPV, along with a statement that the head of ~~household~~ Household's ~~must also sign~~ signature is required on the waiver if the individual suspected of the IPV is not the head of ~~household~~ Household, with an appropriately designated signature block-; and
15. If the signed waiver of the Administrative Disqualification Hearing is not returned by the due date, the Department shall schedule the Administrative Disqualification Hearing and shall send the individual suspected of the IPV a written ~~hearing~~ Hearing notice as contained in ~~R6-14-503~~ R6-14-1304(C).
- D. For the purpose of imposing sanctions as prescribed in ~~R6-14-505~~ R6-14-1306, a timely signed waiver of an Administrative Disqualification Hearing shall have the same effect as an administrative adjudication that an IPV occurred.

~~R6-14-503~~ R6-14-1304. Administrative Disqualification Hearings

- A. The rules on ~~fair hearings~~ Fair Hearings contained in Article ~~4-12~~ of this Chapter apply to ~~Intentional Program Violation (IPV)~~ Administrative Disqualification Hearings, except as provided in this Article.
- B. All IPV Administrative Disqualification Hearings are conducted by the Department's Office of Appeals.
- C. If the individual suspected of an IPV does not sign and return the waiver of Administrative Disqualification Hearing by the return date set in the waiver notice, or returns the waiver notice stating ~~they~~ the individual ~~do~~ does not waive the Administrative Disqualification Hearing, the

Office of Appeals shall send the individual a written ~~hearing~~ Hearing notice. The Office of Appeals shall send the notice by first class mail, certified mail - return receipt requested, or any other reliable method, no later than 30 Calendar days before the scheduled ~~hearing~~ Hearing date.

D. The ~~hearing~~ Hearing notice shall include the following information:

1. The date, time, and place of the ~~hearing~~ Hearing;
2. The allegations of an IPV against the individual;
3. A summary of the evidence, how and where the evidence can be examined, and that the individual suspected of the IPV has the right to examine the ~~case-file~~ Case Record prior to the ~~hearing~~ Hearing. When requested by the ~~household~~ Household or its representative, the ~~Department~~ FAA shall provide a free copy of any documents in the ~~case-file~~ Case Record, except documents protected by the ~~attorney-client~~ Attorney-Client or ~~work-product privilege~~ Work-product Privilege or as otherwise protected by federal or state confidentiality laws. A notice that the decision will be based solely on information provided by the Department if the individual suspected of the IPV fails to appear at the ~~hearing~~ Hearing;
4. A statement that the individual or representative will, upon receipt of the notice, have 10 Calendar days from the date of the scheduled ~~hearing~~ Hearing to present ~~good-cause~~ Good Cause for failure to appear in order to receive a new ~~hearing~~ Hearing;
5. A warning that a determination of IPV will result in disqualification periods as defined by section ~~R6-14-505~~R6-14-1307, and a statement of which penalty the Department believes is applicable to the case scheduled for a ~~hearing~~ Hearing;
6. A listing of the individual's rights as contained in ~~R6-14-410~~R6-14-1211;

7. A statement that the Administrative Disqualification Hearing does not preclude the State or Federal Government from prosecuting the individual for the IPV in a civil or criminal court action, or from collecting any over issuance of ~~Nutrition Assistance benefits~~ NA Benefits;
 8. A statement that the individual suspected of the IPV may consult with an attorney and a list of any individuals or organizations known to the Department that provide free legal representation; and
 9. A notice that the individual suspected of the IPV has the right to obtain a copy of the Department's published ~~hearing~~ Hearing procedures together with an explanation of how the individual suspected of the IPV can obtain these procedures.
- E.** The ~~hearing officer~~ Hearing Official shall postpone a ~~hearing~~ Hearing for up to 30 Calendar days if the individual suspected of the IPV files a written or oral request for postponement with the ~~hearing officer~~ Hearing Official no later than 10 Calendar days before the ~~hearing~~ Hearing date. Any such postponement shall increase the time by which the ~~hearing officer~~ Hearing Official shall issue a decision, as provided in subsection (J) below.
- F.** The time and place for the ~~hearing~~ Hearing shall be arranged so that the ~~hearing~~ Hearing is accessible to the individual suspected of the IPV, including making reasonable accommodations for a person with a disability.
- G.** At the start of the Administrative Disqualification Hearing, the ~~hearing officer~~ Hearing Official shall advise the individual suspected of the IPV or representative of the right to remain silent during the ~~hearing~~ Hearing. The ~~hearing officer~~ Hearing Official shall also advise that if the

individual suspected of the IPV or representative chooses not to exercise the right to remain silent, anything ~~they~~ the individual ~~says~~ says may be used against ~~them~~ the individual.

- H. A ~~hearing officer~~ Hearing Official, as prescribed in ~~R6-14-407~~ R6-14-1208, shall conduct the Administrative Disqualification Hearing pursuant to the procedures set forth in ~~R6-14-408~~ R6-14-1209, ~~R6-14-409~~ R6-14-1210, ~~R6-14-410~~ R6-14-1211 and ~~R6-14-413~~ R6-14-1214, except as prescribed in this subsection.
- I. The Department shall prove by clear and convincing evidence that the ~~household~~ Household member committed, and intended to commit, an IPV.
- J. No later than 90 Calendar days from the date of the notice of ~~hearing~~ Hearing, as increased by any postponement days, the ~~hearing officer~~ Hearing Official shall send to the individual suspected of the IPV a written decision. The ~~hearing officer~~ Hearing Official shall find whether the evidence shows by clear and convincing evidence that the person committed, and intended to commit, an IPV. The decision shall specify the reasons for the decision, identify the supporting evidence, identify the pertinent regulation, respond to reasoned arguments made by the individual suspected of the IPV or representative, and include ~~appeal~~ Appeal rights.

~~R6-14-504~~ R6-14-1305. Failure to Appear; Default; Reopening

- A. If the individual suspected of the IPV fails to appear at the Administrative Disqualification Hearing without ~~good cause~~ Good Cause, the ~~hearing officer~~ Hearing Official shall conduct the ~~hearing~~ Hearing.
- B. The ~~hearing officer~~ Hearing Official shall not conduct the ~~hearing~~ Hearing if the individual suspected of the IPV notifies the Office of Appeals before the ~~hearing~~ Hearing that the individual cannot attend the ~~hearing~~ Hearing because of ~~good cause~~ Good Cause and still desires a ~~hearing~~ Hearing.

~~Hearing. Good-cause~~ Good Cause includes circumstances beyond the ~~household's~~ Household's reasonable control such as illness, illness of another ~~household~~ Household member requiring the presence of the adult member, or a ~~household~~ Household emergency.

- C. An individual suspected of the IPV who did not appear at the ~~hearing~~ Hearing may file a request to reopen the Administrative Disqualification Hearing. The request shall be in writing and shall demonstrate ~~good-cause~~ Good Cause for the party's failure to appear.
1. The individual suspected of the IPV has 30 Calendar days after the date of the written notice of the ~~hearing~~ Hearing decision to file a request to reopen the Administrative Disqualification Hearing if the individual did not receive a ~~hearing~~ Hearing notice.
 2. In all other instances, the individual suspected of the IPV has 10 Calendar days from the ~~hearing~~ Hearing date to show ~~good-cause~~ Good Cause why the individual failed to appear.
- D. The ~~hearing-officer~~ Hearing Official shall review the ~~good-cause~~ Good Cause reason submitted by the individual suspected of the IPV and unless the ~~hearing-officer~~ Hearing Official can grant or deny the request based on the information provided, shall set the matter for a ~~hearing~~ Hearing to determine whether the individual suspected of the IPV had ~~good-cause~~ Good Cause for failing to appear.
- E. If the ~~hearing-officer~~ Hearing Official finds that the individual suspected of the IPV had ~~good-cause~~ Good Cause for failure to appear, the previous decision shall be vacated and the ~~hearing-officer~~ Hearing Official shall reopen the Administrative Disqualification Hearing and schedule a new ~~hearing~~ Hearing with notice to all parties. The ~~hearing-officer~~ Hearing Official ~~must~~ shall enter the ~~good-cause~~ Good Cause decision on the record.

- F. ~~Good cause~~ Good Cause, for the purpose of reopening an Administrative Disqualification Hearing, is established if the failure to appear at the ~~hearing~~ Hearing and the failure to timely notify the ~~hearing officer~~ Hearing Official were beyond the reasonable control of the individual suspected of the IPV. Good Cause includes, but is not limited to, illness, illness of another Household member requiring the presence of the adult member, or a Household emergency. Good cause Good Cause also exists when the individual suspected of the IPV demonstrates ~~excusable neglect~~ Excusable Neglect for both the failure to appear and the failure to timely notify the ~~hearing officer~~ Hearing Official. ~~“Excusable neglect” means an action involving an error such as might be made by a reasonably prudent person who attempts to handle a matter in a prompt and diligent fashion.~~

~~R6-14-505~~R6-14-1306. Disqualification Sanctions; Notice

- A. A person found to have committed an IPV is disqualified from program participation:
1. For a period of 12 months for the first IPV, except as provided under subsections (B) through (E) of this section;
 2. For a period of 24 months for the second IPV, except as provided in subsections (B) through (E) of this section; ~~and~~
 3. Permanently for the third IPV; or
 4. The same act of IPV repeated over a period of time shall not be separated so that separate penalties can be imposed.
- B. Individuals found by any court to have used or received ~~benefits~~ Benefits in a transaction involving the sale of a controlled substance, as described at section ~~section~~ Section 102 of the Controlled Substances Act (21 U.S.C. 802), shall be ineligible to participate in the program:

1. For a period of 24 months for the first violation; and
 2. Permanently upon the second violation.
- C.** Individuals found by any court to have used or received ~~benefits~~ Benefits in a transaction involving the sale of firearms, ammunition or explosives shall be permanently ineligible to participate in the program upon the first violation.
- D.** An individual convicted by any court of having trafficked ~~benefits~~ Benefits for an aggregate amount of ~~\$500~~ \$500.00 or more shall be permanently ineligible to participate in the program upon the first violation.
- E.** Except as provided under subsection (A)(3) of this section, an individual found to have made a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple ~~Nutrition Assistance benefits~~ Benefits simultaneously shall be ineligible to participate in the program for 10 years.
- F.** Upon a determination of IPV, the Department shall notify the disqualified person in writing of the pending disqualification. The written notice shall:
1. Inform the disqualified person of the decision and the reasons for the decision; and
 2. Inform the disqualified person of the date the disqualification will take effect and the duration of the disqualification.
- G.** Under 7 CFR 273.11(c)(1), when determining the eligibility and ~~benefit~~ Benefit level for the remaining eligible members of the ~~household~~ Household, the ~~Department~~ FAA shall count the income and ~~resources~~ Resources of the disqualified person in ~~their~~ the income's and Resources' entirety and the entire ~~household's~~ Household's allowable ~~earned income~~ Earned Income, standard, medical, dependent care, child support, and excess shelter deductions shall continue to

apply to the remaining ~~household~~ Household members. The ~~Department~~ FAA shall not include the ineligible member when determining the ~~household's~~ Household's size for the purposes of:

1. Assigning a ~~benefit~~ Benefit level to the ~~household~~ Household;
2. Assigning a standard deduction to the ~~household~~ Household;
3. Comparing the ~~household's~~ Household's monthly income with the income eligibility standards; or
4. Comparing the ~~household's resources~~ Household's Resources with the resource eligibility limits.

H. Under 7 CFR 273.11 (c)(4) and 7 CFR 273.16(e)(9)(ii) and (f)(3), the Department shall notify the remaining members of ~~their~~ the member's eligibility and ~~benefit~~ Benefit level at the same time the excluded member is notified of his or her disqualification.

**~~R6-14-506~~R6-14-1307. Administrative Disqualification Hearings or Waiver of the
Right to a Hearing; Appeal**

- A. Upon a determination of IPV through a signed waiver of an Administrative Disqualification Hearing, the individual has no right to further administrative ~~appeal~~ Appeal. The individual may seek relief in a court having jurisdiction and may seek a stay or other injunctive relief of a period of disqualification.
- B. A party may ~~appeal~~ Appeal a Hearing ~~Officer's~~ Official's Administrative Disqualification Hearing decision as provided in ~~R6-14-416(A)~~R6-14-1216 to the Appeals Board as provided in ~~R6-14-417~~R6-14-1217.
- C. An individual adversely affected by an Appeals Board decision may seek judicial review under A.R.S. § 41-1993.

~~R6-14-507~~R6-14-1308. Honoring Out-of-State IPV Determinations and Sanctions

- A.** The Department shall honor sanctions imposed against an ~~applicant~~ Applicant or ~~recipient~~ Recipient by the agency of another state that administers the ~~Supplemental Nutrition Assistance Program~~ SNAP and shall consider prior violations committed in another state when determining the appropriate sanction.

ARTICLE 14. BENEFIT PAYMENTS

R6-14-1401. Definitions and Location of Definitions

- A.** Locations of definitions. The following definitions applicable to this Article are found in the following Section or Citation:

<u>“Benefit” or “Benefit Allotment”</u>	<u>R6-14-101(B)</u>
<u>“Benefit Month”</u>	<u>R6-14-101(B)</u>
<u>“Calendar Day”</u>	<u>R6-14-101(B)</u>
<u>“Department”</u>	<u>A.R.S. § 46-101(8)</u>
<u>“Electronic Benefit Transfer” or “EBT”</u>	<u>R6-14-101(B)</u>
<u>“FAA Manual”</u>	<u>R6-14-101(B)</u>
<u>“Family Assistance Administration” or “FAA</u>	<u>R6-14-101(B)</u>
<u>“Fraud”</u>	<u>R6-14-101(B)</u>
<u>“Hearing” or “Fair Hearing”</u>	<u>R6-14-101(B)</u>
<u>“Household”</u>	<u>R6-14-101(B)</u>
<u>“Nutrition Assistance” or “NA”</u>	<u>R6-14-101(B)</u>

R6-14-1402. Benefit Payments

- A.** The Department shall deposit Benefit payments into an EBT account that the Department shall establish for the Household. The primary payee shall be the Head of Household.
1. The Department or its contracted EBT vendor shall provide the primary payee an EBT card by mail or by in-office issuance and shall provide the cardholder with instructions for selecting a Personal Identification Number (PIN) and instructions for using the EBT card to access and use Benefits. The primary payee may designate up to two adult alternate card holders to have access to, and use of, the Benefits in the EBT account on behalf of the Household.
 2. The Department shall provide the EBT card and one replacement card, if requested, at no cost to the Household. A second or subsequent replacement card shall be issued at the cost of \$5.00 per card issuance and the cost shall be deducted from the EBT account. The Department shall waive the \$5.00 replacement fee when:
 - a. The card is damaged or stolen;
 - b. The card is not accessible due to a declared disaster by the President of the United States;
 - c. The cardholder is age 60 or older;
 - d. The cardholder legally changes the cardholder's name; or
 - e. The EBT account balance is less than \$5.00.
 3. The Department may waive the \$5.00 replacement fee based on other circumstances reported by the cardholder and determined to be acceptable by the Department.
- B.** The Department shall appoint an adult emergency payee who shall act as the primary payee for the EBT account:

1. At the request of the Arizona Department of Child Safety (DCS) or a Tribal Child Welfare or Tribal Social Services Agency, when the DCS or the tribal agency determines that the current primary card holder is not adequately or properly providing for the basics needs of the children in the Household by mismanaging the Benefit.
 - a. The emergency payee shall not be a member of the Household.
 - b. DCS or the tribal agency shall notify the Department when the need for an emergency payee no longer exists.
2. During a disqualification period when the primary payee is disqualified for an IPV or Fraud;
3. In an emergency when there is not enough time to make any other plans for the care and support of the children in the Household. Emergency situations include:
 - a. Death of the primary payee;
 - b. Abandonment or desertion of the children by the primary payee;
 - c. Incarceration of the primary payee;
 - d. The primary payee is hospitalized or confined to an institution; or
 - e. Any other emergency situation in which the primary payee is unable to provide for the care and basic needs of the children.
4. The Department, with the assistance of the primary payee when possible, shall select an emergency payee, who may be any adult other than:
 - a. The Department's director;
 - b. FAA eligibility staff;
 - c. An employee in the Department's Office of Special Investigations;

- d. A Department employee who handles fiscal processes related to the NA program;
and
- e. Landlords, grocers, and other vendors who deal directly with the assistance unit.

R6-14-1403. Inactive Accounts; Unused Benefits

- A. The Household shall retain the right to access the EBT account for 180 Calendar days from the original date of Benefit availability, regardless of the status of the NA case.
- B. When the Household does not access an EBT account for 90 Calendar days, the Department shall notify the Household in writing that:
 - 1. Benefits in the EBT account have not been used for 90 Calendar days and the date that the Benefits were either last used or the original date that Benefits were deposited into the EBT account if the Benefits have never been used; or
 - 2. When the Benefits in the EBT account have not been used for 274 Calendar days from the date that the Benefits were either last used or the original date that Benefits were deposited into the EBT account if the Benefits have never been used, the Department shall expunge the Benefits, and the Household shall lose all rights to regain those Benefits.

R6-14-1404. Supplemental Payments

- A. The Department shall correct underpayments for the current Benefit Month by issuing the Household a supplemental payment, regardless of whether the Household that was underpaid is eligible on the date the supplemental payment is issued.

R6-14-1405. Restoration of Lost Benefits

- A.** The FAA shall restore Benefits to a Household entitled to additional Benefits for any month before the current calendar month when one of the following occurs:
1. The loss was caused by an error by the Department;
 2. An administrative disqualification for IPV is subsequently reversed; or
 3. Benefits were found by any judicial action to have been wrongfully withheld.
- B.** The FAA shall restore Benefits for not more than 12 months prior to whichever of the following occurred first:
1. The date the FAA receives a request for restoration from a Household; or
 2. The date the FAA is notified or otherwise discovers that a loss to a Household has occurred.
- C.** The FAA is required to restore lost Benefits as a result of a judicial action when:
1. The judicial action is the first action the Household has taken to obtain restoration of lost Benefits, in which case Benefits shall be restored for a period of not more than twelve months from the date the court action was initiated.
 2. The judicial action is a review of a State agency action, in which case the Benefits shall be restored for a period of not more than 12 months from:
 - a. The date the State agency receives a request for restoration; or
 - b. If no request for restoration is received, the date the Fair Hearing action was initiated.
- D.** The FAA shall not restore lost Benefits as a result of a judicial review when the FAA is notified of, or discovers the loss, when more than a year has passed.

E. The FAA shall restore Benefits regardless of whether the Household is eligible on the date the restored payment is issued.